

★ MAR 25 2011 ★

BROOKLYN OFFICE

George S. Canellos  
Attorney for Plaintiff  
SECURITIES AND EXCHANGE COMMISSION  
New York Regional Office  
3 World Financial Center  
New York, NY 10281-1022  
(212) 336-1020

UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF NEW YORK

-----  
SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

JOSEPH CATAPANO  
and  
MICHAEL PIERVINANZI,

Defendants.  
-----

**CV 11 - 1476**  
1-Civ.

COMPLAINT

**MATSUMOTO, J.**

**REYES, M.J.**

**PRELIMINARY STATEMENT**

Plaintiff Securities and Exchange Commission ("Commission"), for its Complaint against defendants Joseph Catapano ("Catapano") and Michael Piervinanzi ("Piervinanzi")(collectively the "Defendants"), alleges as follows:

1. In February 2011, the Defendants engaged in a fraudulent scheme to manipulate the market for the securities of Euro Solar Parks, Inc. ("Euro Solar") by paying bribes to cause purchases of Euro Solar common stock.
2. In February 2011, Defendants entered into an agreement with an individual ("Individual A") whom they believed represented a group of Registered Representatives ("RRs") of securities brokerage firms with trading discretion over the accounts of wealthy

customers. Defendants promised to pay a 30% kickback to Individual A and the RRs he represented in exchange for the RRs buying up to \$3 million in Euro Solar stock through their customers' accounts.

3. During February 16-18, 2011, in accordance with the illicit arrangement, Catapano instructed Individual A to submit orders to buy a total of approximately 130,000 shares of Euro Solar stock for a total of approximately \$31,000. Catapano gave Individual A detailed instructions concerning the size, price and timing of those orders. In this way, Catapano was able to insure that Individual A's purchase orders were matched with Catapano's sell orders at prices Catapano predetermined. Thereafter, Piervinanzi paid Individual A bribes of approximately \$8,800 for those purchases.

#### **VIOLATIONS**

4. By virtue of their conduct, Defendants violated Section 17(a) of the Securities Act of 1933 ("Securities Act"), 15 U.S.C. § 77q(a), Sections 9(a)(1) and 10(b) of the Securities Exchange Act of 1934 ("Exchange Act"), 15 U.S.C. §§ 78i(a)(1) and 78j(b), and Rule 10b-5, 17 C.F.R. § 240.10b-5.

#### **JURISDICTION AND VENUE**

5. 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 Defendants from engaging in the transactions, acts, practices and courses of business alleged in this Complaint. The Commission also seeks a final judgment ordering Catapano and Piervinanzi to disgorge their ill-gotten gains, if any, with prejudgment interest thereon. The Commission seeks a final judgment ordering Catapano and Piervinanzi to pay civil monetary 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). The Commission also seeks a judgment prohibiting Piervinanzi from participating in an 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).

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

7. Venue in this District is proper 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 business constituting the violations alleged herein occurred within this District. For example, Defendants both reside in Staten Island, New York.

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

#### **DEFENDANTS**

9. **Catapano**, age 39, and a resident of Staten Island, New York, is a stock promoter.

10. **Piervinanzi**, age 52 and a resident of Staten Island, New York, is a stock promoter.

## FACTS

11. Euro Solar is a Nevada corporation with its principal office in Ho-Ho-Kus, New Jersey, and at all relevant times, was quoted on the OTC Bulletin Board and OTC Link.

12. In 2011, Euro Solar purported to engage in the acquisition of prospective locations for the construction of solar power facilities in Bulgaria.

13. Currently and at all relevant times, Euro Solar common stock qualified as a penny stock as it did not meet any of the exceptions from the definition of penny stock contained in Rule 3a51-1 of the Exchange Act.

14. In approximately February 2011, Individual A represented himself to Defendants as a person who could arrange stock purchases by a group of RRs with discretion over the accounts of wealthy customers.

15. On February 4, 2011, Piervinanzi agreed to pay Individual A a 30% kickback in exchange for the purchases of one of a stock to be determined later. Piervinanzi also agreed to match the trades with the RRs at a pre-arranged price.

16. During the February 4 conversation, Piervinanzi said that Catapano would use online trading accounts to make the sales, and the kickback payments would come from an offshore account in South Africa.

17. On February 9, 2011, during a meeting between Individual A and the Defendants, Catapano agreed to sell \$3 million of Euro Solar stock. At the February 9 meeting, Catapano agreed to pay Individual A a 30% kickback. Catapano further told Individual A that his goal was to have the RRs hold the Euro Solar shares for a few months while he brought the stock price up to \$0.40 per share based on press releases and other

publicity that would purportedly justify the price increase.

18. At the February 9 meeting, Catapano agreed to match the trades at pre-arranged prices. In addition, Catapano agreed to perform a series of test trades to demonstrate that the matched trades and kickback payments would go smoothly. Catapano further explained that the kickback payments would be sent from an offshore account.

19. In a telephone call on February 11, 2011, Catapano agreed to trade \$3 million of Euro Solar stock over a 60-day period. Catapano also specifically agreed to perform three test trades of approximately \$10,000 each and that he would “get you [Individual A] taken care of right away.”

20. In a telephone call on February 16, 2011, Catapano agreed to sell 45,000 shares of Euro Solar stock to accounts associated with Individual A at \$0.22 per share, and the trade took place accordingly.

21. Subsequently, on February 17 and 18, 2011, similar matched trades were executed by Catapano. On February 17, 2011, Catapano sold 35,000 shares of Euro Solar stock at \$0.24 per share to accounts associated with Individual A, and on February 18, 2011, Catapano sold 50,000 shares at \$0.26 per share to accounts associated with Individual A. In each instance, the price per share and number of shares sold were agreed to beforehand in telephone conversations between Catapano and Individual A.

22. To ensure that Individual A's buy orders matched Catapano's sell orders, Catapano gave precise instructions to Individual A concerning the size, price and timing of the buy orders.

23. As a result of Catapano's coordination of trading, Individual A's purchase orders for Euro Solar stock were matched against Catapano's sell orders at prices that Catapano had prearranged.

24. On February 17, 2011, Catapano called Individual A to say that he wanted to "take care of my responsibilities," meaning that he wanted to pay the promised kickback. Catapano asked for wire instructions for Individual A's bank account and said he could wire the kickback payment immediately since "this is a small denomination."

25. By February 18, 2011, Piervinanzi deposited \$8,800 into Individual A's account.

### **FIRST CLAIM FOR RELIEF**

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

26. The Commission realleges and incorporates paragraphs 1 through 25 by reference as if fully set forth herein.

27. Defendants, directly or indirectly, singly or in concert, in the offer and sale of securities, by the use of the means or instruments of transportation or communication in interstate commerce, or by the use of the mails, (a) have employed, are employing, or are about to employ, devices, schemes, or artifices to defraud; (b) have obtained money or property by means of, or have otherwise made untrue statements of material fact, or have omitted to state material facts necessary in order to make statements made, in light of the circumstances under which they were made, not misleading; and/or (c) have engaged, are engaging, or are about to engage in transactions, practices, or courses of business which operate, operated, or would operate as a fraud or deceit upon the purchasers of securities.

28. Defendants knowingly or recklessly paid kickbacks in order to facilitate

matched trading in Euro Solar common stock with the intent of manipulating the market for Euro Solar stock.

29. By reason of the foregoing, the Defendants, singly or in concert, directly or indirectly, have violated, are violating, and unless enjoined will again violate, Section 17(a) of the Securities Act, 15 U.S.C. § 77q(a).

## **SECOND CLAIM FOR RELIEF**

### **Violations of Section 9(a)(1) of the Exchange Act**

30. Paragraphs 1 through 29 are hereby realleged and incorporated by reference.

31. Defendants, directly or indirectly, by the use of the mails or any means or instrumentality of interstate commerce, or of any facility of any national securities exchange, or for any member of a national securities exchange, for the purpose of creating a false or misleading appearance of active trading in any security other than a government security, or a false or misleading appearance with respect to the market for any such security, have entered, or are entering, or are about to enter an order or orders for the sale of any such security with the knowledge that an order or orders of substantially the same size, at substantially the same time, and at substantially the same price, for the purchase of such security, has been or will be entered by or for the same or different parties.

32. Defendants knowingly or recklessly paid kickbacks in order to facilitate matched trading in Euro Solar common stock with the intent of manipulating the market for Euro Solar stock.

33. By reason of the foregoing, the Defendants, singly or in concert, directly or indirectly, have violated, are violating, and unless enjoined will again violate, Section 9(a)(1) of the Exchange Act, 15 U.S.C. § 78i(a)(1).

### **THIRD CLAIM FOR RELIEF**

#### **Violations of Section 10(b) of the Exchange Act and Rule 10b-5**

34. Paragraphs 1 through 33 are hereby realleged and incorporated by reference.

35. Defendants, directly and indirectly, singly or in concert, in connection with the purchase and sale of securities, by use of the means and instrumentalities of interstate commerce, or of the mails, or of the facilities of a national securities exchange: (a) have employed, are employing, or are about to employ, devices, schemes, or artifices to defraud; (b) have made, are making, or are about to make untrue statements of material fact, or have omitted, are omitting, or are about to omit to state material facts necessary in order to make statements made, in light of the circumstances under which they were made, not misleading; and/or (c) have engaged, are engaging, or are about to engage in acts, practices, or courses of business which operate, operated, or would operate as a fraud or deceit upon other persons.

36. Defendants knowingly or recklessly paid kickbacks in order to facilitate matched trading in Euro Solar common stock with the intent of manipulating the market for Euro Solar stock.

37. By reason of the foregoing, the Defendants, singly or in concert, directly or indirectly, have violated, are violating, and unless enjoined will again 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.



**RELIEF REQUESTED**

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

**I.**

Permanently enjoining the Defendants from violating Section 17(a) of the Securities Act, 15 U.S.C. §77q(a), Sections 9(a)(1) and 10(b) of the Exchange Act, 15 U.S.C. §§ 78i(a)(1) and 78j(b), and Rule 10b-5, 17 C.F.R. §§ 240.10b-5.

**II.**

Ordering Defendants to disgorge their ill-gotten gains, if any, plus prejudgment interest.

**III.**

Imposing civil monetary penalties upon Defendants 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).

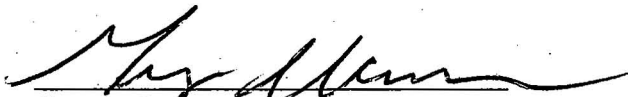
**IV.**

Prohibiting Piervinanzi 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 proper.

Dated: March 25, 2011  
New York, New York



George S. Canellos  
Attorney for Plaintiff  
SECURITIES AND EXCHANGE COMMISSION  
New York Regional Office  
3 World Financial Center  
New York, New York 10281-1022  
(212) 336-1020

Of Counsel:

Andrew M. Calamari  
Gerald A. Gross  
Todd D. Brody  
James Hanson