

**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF VIRGINIA**

SECURITIES AND EXCHANGE COMMISSION, :

Plaintiff, :

v. :

Civil Action No. _____

MERVIN GEORGE FIESSEL and ROBERT :
MICHAEL DOHERTY, :

Defendants, :

COMPLAINT

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

SUMMARY

1. This is a market manipulation and securities fraud case. From April through August 2005, Defendants Mervin Fiessel, Robert Doherty and others (either collectively or individually the "Greyfield Promoters") conspired to use an inactive shell company called Greyfield Capital, Inc. ("Greyfield Nevada") and a small used car dealership in Western Canada to manipulate the market to their advantage. Doherty and Fiessel's roles in the promotion are set forth more specifically below.

2. The Greyfield Promoters misappropriated Greyfield Nevada and its trading symbol GRYF through a series of unauthorized corporate actions, reincorporated the company in Oregon ("Greyfield Oregon"), and claimed that Greyfield Oregon had acquired the small used car dealership in British Columbia.

3. The Greyfield Promoters then improperly issued hundreds of millions of new shares of Greyfield Oregon and conditioned the market with a series of false and

misleading press releases about Greyfield Oregon, its management and the used car dealership. The Greyfield Promoters also misled investors by using a website that repeated much of the false and misleading information in the press releases. Almost immediately, Fiessel and others began selling tens of millions of Greyfield Oregon shares.

4. After receiving complaints from the original shareholders of Greyfield Nevada that the identity of their company had been stolen, the Commission consulted with the British Columbia Securities Commission (“BCSC”) and suspended trading in Greyfield Oregon on July 27, 2005. Nevertheless, the very next day, the Greyfield Promoters responded to the Commission’s trading suspension with even more false and misleading information on the company’s website.

5. The BCSC and the Commission coordinated their investigations in this matter.

6. Defendants’ conduct described herein violates the federal securities laws. Unless enjoined, these defendants are likely to commit similar violations in the future. Accordingly, the Commission seeks an order enjoining the defendants, requiring disgorgement of ill-gotten gains and unjust enrichment, civil monetary penalties, and a penny stock bar.

JURISDICTION AND VENUE

7. This Court has jurisdiction over this action 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 Sections 21(d), and 27 of the Securities Exchange Act of 1934 (“Exchange Act”) [15 U.S.C. §§ 78u(d) and 78aa]. In connection with the conduct described herein, each of the

defendants, directly or indirectly, used the means or instrumentalities of interstate commerce, the mails, or the facilities of a national securities exchange.

8. Venue in the Eastern District of Virginia 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 individuals located in this judicial district purchased shares of Greyfield Oregon during the time period of the misconduct. In addition, a man from Virginia who administered the Greyfield Oregon website and was instrumental in the promotion of Greyfield Oregon, resides in this judicial district.

DEFENDANTS

9. Defendant Mervin George Fiessel (“Fiessel”), 61, resides in Kamloops, British Columbia. He is a Canadian citizen and the majority shareholder of Greyfield Oregon.

10. Defendant Robert Michael Doherty (“Doherty”), 42, resides in Kamloops, British Columbia. He is a Canadian citizen and the purported former president and director of Greyfield Oregon.

FACTS

I. The Misappropriation of Greyfield Capital, Inc.

A. Exploiting a Used Car Dealership to Commence the Scheme

11. On or around October 2004, a British Columbia man named Dennis Hewins contacted Fiessel about money Hewins was owed from a prior business arrangement. After Hewins explained to Fiessel that he had recently started up a used car dealership, Fiessel replied that he had been looking for just such a business to put into a public company.

12. Within a few weeks, Fiessel and Hewins decided to start up a private finance company, AAA Finance, to provide sub-prime lending to customers of Hewins' auto dealership, Kamloops Autorama & RV Ltd. (the "Autorama"). AAA Finance is owned half by Hewins and half by Fiessel's son. It was Fiessel's idea to have ownership of AAA Finance put into his son's name. Fiessel's son represented his father's interests.

13. By at least October 2004, Doherty also became involved and was responsible for all of the paperwork for AAA Finance. Around this same time, a Virginia man became involved in Fiessel's and Doherty's plan to use the Autorama and AAA Finance as part of a stock offering. These three were in continuous email communication up through the summer of 2005.

14. Beginning in December 2004, a man from the British Island of Jersey started loaning money to AAA Finance through Fiessel and Doherty by initially depositing Cdn.\$14,382.30. Over the next few months, Fiessel made a series of these "loans" to AAA Finance, eventually contributing over Cdn.\$550,000. The way this system worked was that when Hewins asked Fiessel for money, Fiessel sold marketable securities out of the Jersey man's brokerage accounts and wired the funds to AAA Finance.

B. The Misappropriation of Greyfield Capital, Inc. and Its Trading Symbol

15. In early April 2005, Fiessel and Doherty decided to use Greyfield Nevada as the public company to acquire the Autorama. Fiessel and Doherty had had nothing to do with Greyfield Nevada or its predecessor, Mountain Crest, Inc. ("Mountain Crest"), since the beginning of 2000. Around that time, Fiessel had been instrumental in selling

Mountain Crest to another investor. More than two years after that, in 2002, still other investors changed the name from Mountain Crest to Greyfield Capital, Inc.

16. While Fiessel was involved with Mountain Crest, he worked closely with a director named Pilling. Fiessel suggested to Doherty that Pilling might be able to help them assert control over Greyfield Nevada. Fiessel also asked Doherty to help administer the new company as an officer and director. After talking to Fiessel, Doherty contacted the Virginia man and asked him to serve as a director as well.

17. The Virginia man eventually contacted the transfer agent for Greyfield Nevada and asked what documentation was needed to take control of the company. The transfer agent told him he would need the resignation of the directors of Greyfield Nevada in order to put them in control.

C. Fiessel and Doherty Illegally Gain Control of Greyfield Nevada

18. After speaking to the man from Virginia, Doherty proceeded to draft a resignation letter on behalf of Pilling dated April 15, 2005. Fiessel gave Doherty a signature stamp with the likeness of Pilling's signature. Doherty used it to "sign" the April 15, 2005 resignation.

19. In addition to the resignation letter, Doherty also drafted a letter appointing Doherty and the Virginia man as officers and directors of Greyfield Nevada and again affixed Pilling's signature by using the stamp provided by Fiessel. Next, Doherty and the Virginia man each drafted and signed acceptance letters for their newly created positions as officers and directors of Greyfield Nevada. Doherty then faxed the forged resignation and appointment letters as well as their purported acceptance letters to the transfer agent.

20. The transfer agent told Doherty that he and the Virginia man could begin administering the affairs of the company upon receipt of the documents and payment of the outstanding bills. Doherty paid the transfer agent for Greyfield Nevada's outstanding bills and was reimbursed by Fiessel.

21. Pilling did not resign from Greyfield Nevada on April 15, 2005, nor did he authorize anyone to sign the resignation letter on his behalf. He could not have resigned because he did not hold a position at Greyfield Nevada, having already resigned from Mountain Crest in 1999. Likewise, Pilling did not appoint Doherty and the Virginia man to serve as directors of Greyfield Nevada. Indeed, he had never even heard of Greyfield Nevada or seen the alleged corporate documents prior to the British Columbia Securities Commission's ("BCSC") investigation.

22. Doherty knew or was reckless in not knowing that Pilling had not authorized the use of his signature stamp to assert control over Greyfield Nevada. Pilling was a friend of Doherty's who worked at a local golf course in British Columbia where Doherty played. In fact, Doherty and Pilling ran into each other regularly at golf functions and restaurants during this entire period. Doherty even visited Pilling at his home in July 2005 when he was sick. Nevertheless, Doherty never mentioned anything to him about Greyfield Nevada.

23. Instead, the first time Doherty spoke to Pilling about Greyfield Nevada was after Pilling received a summons from the BCSC in connection with their parallel investigation into Greyfield Oregon. When Pilling confronted Doherty about what was happening with Greyfield Oregon, Doherty replied:

that [Doherty] was in a big pile of doo-doo and that he had done something wrong and that he had involved [Pilling] and he apologized for it. ...He had mentioned that this – that he had done something with the documentation that he shouldn't have done.

24. The first thing Doherty and the Virginia man did as “officers and directors” of Greyfield Nevada was to draft resolutions granting each other 10 million shares of Greyfield Nevada in order to create a control block of the company’s stock. At the time Doherty and the Virginia man became directors, there were approximately 3 million shares outstanding out of a total of 25 million shares authorized. On April 18, 2005, the transfer agent issued 10 million shares to Doherty and another 10 million shares to the Virginia man.

D. The Reincorporation of Greyfield Nevada

25. Doherty informed the transfer agent that as part of a reverse merger, Greyfield Nevada was reincorporating in Oregon. Doherty provided the transfer agent with documents filed on April 20, 2005 incorporating Greyfield Nevada as an Oregon corporation whose business was automobile marketing (“Greyfield Oregon”).

26. In May 2005, Greyfield Oregon announced that it had purchased the Autorama. However, at the time of the announcement there was no written agreement, and Greyfield Oregon never paid Hewins any consideration for the Autorama.

II. The Illegal Issuance of New Greyfield Oregon Shares

A. The Subscription Agreement between Greyfield Oregon and a Fiessel Controlled Entity

27. Up through April 2005, the man from Jersey, through Fiessel, had paid approximately Cdn.\$200,000 to AAA Finance. Based on these contributions, Doherty drafted a subscription agreement whereby Fiessel, through a Texas corporation he owned

named Gold Technologies, Inc., would receive 600 million Greyfield Oregon shares in return for the money invested by the man from Jersey. Fiessel incorporated Gold Technologies in Texas because it is easier to get “free-trading paper” through Rule 504 distributions in Texas.

28. In order to issue the 600 million Greyfield Oregon shares, Doherty and the Virginia man passed a board resolution authorizing the issuance of up to 20 billion shares. They authorized the 20 billion shares mistakenly believing that if they or others owned more than 10% of Greyfield Oregon’s securities they would have to report their holdings to the Commission.

B. Doherty and the Man from Virginia Procured a Legal Opinion Authorizing the Sale of Greyfield Oregon Shares to Gold Technologies

29. Sometime prior to April 22, 2005, the Virginia man contacted an attorney in New York and requested a legal opinion be prepared in connection with the subscription agreement. Fiessel paid for the legal opinion. On April 22, the attorney issued a legal opinion advising the transfer agent that it could issue the Greyfield Oregon shares without a restrictive legend subject to a series of conditions, including compliance with the U.S. securities laws and the securities laws of the State of Texas. The attorney dealt primarily with Doherty in connection with the legal opinion.

30. The legal opinion also stated that the new shares “may be freely traded except by affiliates of [Greyfield Oregon or Gold Technologies.] However, it has been represented by [Greyfield Oregon] and [Gold Technologies] that the shares are being purchased for ‘Investment Purposes’ only.” Fiessel, however, had no intention of purchasing the Greyfield Oregon shares for “investment purposes.” Despite the clear

conditions in the legal opinion, Fiessel instructed Doherty to distribute millions of the shares to various accounts (including accounts Fiessel controlled or had trading authority over). Those accounts then promptly began selling the shares.

31. In addition, upon receiving the 600 million Greyfield Oregon shares, Gold Technologies became the overwhelming majority owner of the company. As such, Gold Technologies became an affiliate of Greyfield Oregon and, even by the standards of Greyfield Oregon's own legal opinion, was not in a position to freely resell the Greyfield Oregon stock.

32. Finally, the legal opinion stated that, "[Gold Technologies] and [Greyfield Oregon] have represented that such offerings and sales were not a part of any plan to evade any otherwise applicable registration provisions of the Act." In fact, Fiessel and Doherty were absolutely engaged in a plan to evade the registration provisions of the Securities Act.

C. Doherty and Fiessel Directed the Transfer Agent to Issue Greyfield Oregon Shares to Other Accounts Controlled by Fiessel

33. After Gold Technologies and Greyfield Oregon executed the Subscription Agreement, Fiessel instructed Doherty to distribute the new shares to various persons and entities, including Fiessel and the man from Jersey. Accordingly, Doherty drafted instructions for the transfer agent to issue the new shares. On April 27, 2005, Fiessel and Doherty requested the issuance of 415 million unrestricted shares. Thereafter, on May 11 and 18, 2005, Fiessel and Doherty requested additional issuances for a combined total of approximately 477 million unrestricted shares.

34. Fiessel deposited 147 million of the Greyfield Oregon shares into brokerage accounts he opened for himself in the names of Gold Technologies and Gold

Technologies, Ltd. Fiessel claimed that he received the Greyfield Oregon shares as payment for organizing the funding of AAA Finance and the Autorama.

35. Fiessel also deposited at least 155 million of the Greyfield Oregon shares into nine U.S. brokerage accounts owned by the Jersey man and that man's wife. Fiessel had trading authority over at least three of the nine accounts.

D. Fiessel and Doherty Directed the Transfer Agent to Issue Greyfield Oregon Shares to Stock Promoters

36. Fiessel instructed Doherty to issue Greyfield Oregon shares to several stock promoters as part of a plan to promote and sell Greyfield Oregon stock on the Internet and to their clients. Fiessel then had Doherty instruct the transfer agent to issue stock owned by Gold Technologies to these promoters.

37. Email communications between various stock promoters and Fiessel provide a clear picture of Fiessel's intent to manipulate the stock price of Greyfield Oregon. On May 11, 2005, one promoter wrote to Fiessel:

...im not sure if we have the fire power to shoot out both your deal and SVMl...if you saw SVMl it traded up 30% over a million in movement...we will go (FULL GO) on your deal next week! I promise you will not be disappointed.

38. On May 16, 2005, another promoter wrote to Fiessel:

We sent out our C-list on GRYF last night and we just wanted to let you know. Hope we see some good movement and start seeing this one move in the right direction so that when we bring the A list on, it really will take off.

39. On May 18, 2005, the same promoter emailed Fiessel requesting that Greyfield Oregon help supplement their effort by putting out some press releases:

With the low volume today on GRYF we really need a boost in volume over the next couple of days in order to not send off too many red flags when the program starts, so if we can put out some news to create a good audience over the next few days that [sic] would be beneficial.

40. Fiessel continued to work with the stock promoters throughout at least May and June 2005. On June 26, 2005 another promoter wrote to Fiessel requesting 185,000 shares and noting:

A few things: we are taking a hard look at where the "start" point should be. Traditionally, a .70 start price on a r/s is not "typically" a good thing but we will churn a few shares to see where it lands and start from there {on any future papering, make it .10-.20}

41. In the same email, this promoter explained to Fiessel that the people working for him were "worried about the 504 thing a little," but then reassured Fiessel that these "rookies in the promo game ... don't know much about papering but they sure know how to work a stock!"

42. These emails, and others like them, show that Fiessel was involved in a scheme that included exaggerated and misleading information from the company and several stock promoters selling the scheme to unwary investors. All the while, Fiessel was dumping millions of shares on the market.

III. Greyfield Oregon Conditioned the Market with False and Misleading Information and Fiessel Profited by Selling Greyfield Oregon Shares

A. Greyfield Oregon Made Misleading and Exaggerated Claims in Greyfield Oregon Press Releases and the Autorama Website

43. Shortly after the newly issued Greyfield Oregon shares were distributed, the company began issuing a series of almost daily press releases concerning its automobile business. Doherty and the Virginia man drafted the press releases together and on

occasion discussed them with the operator of the Autorama. Doherty and the man from Virginia were both contact persons on the Business Wire account, and Doherty used his credit card to pay for the services. Fiessel was also aware of the press releases as they were issued. Many of the statements put out in the press releases were at best exaggerations and at worst outright misrepresentations.

44. For instance, a May 6 press release stated that “Canadian Autorama is managed by the prolific Mr. Dennis Hewins and his *seasoned management team.*” (Emphasis added). However, Hewins was the sole person managing the Autorama at the time this statement was made. A May 20 press release stated that the Autorama “was quickly becoming the largest dealership in [western] Canada.” However, Doherty knew that the Autorama was not even the largest dealership in the small town in which it was located. And according to Hewins himself, the Autorama was not becoming the largest automobile dealership *anywhere* in Canada.

45. Many of the same exaggerations and misrepresentations found in the company’s press releases were also posted on the Greyfield Oregon website “www.theautorama.com”. The Virginia man operated this website from northern Virginia.

46. An Internet service provider receipt shows that Fiessel paid for domain registration services for the autorama.com website with his own credit card. Meanwhile, Doherty provided the text used on the website, and anything that had to go on the website was approved by him before it was published.

B. Doherty Made False Statements on an Investor Bulletin Board

47. Sometime prior to May 23, 2005, the Virginia man instructed Doherty to open an account at a website called “Investorhub.com,” an online forum for investors. The alleged purpose for opening the account was to provide information to Greyfield Oregon investors. Doherty proceeded to post information about Greyfield Oregon on the Investorhub website under the name “greyfieldprez.”

48. On May 23, 2005, Doherty posted a message on Investorhub.com stating, “[o]ur outstanding shares is [sic] now 65 million...” This statement was not true. Indeed, Doherty had recently instructed Greyfield Oregon’s transfer agent to issue 600 million unrestricted shares. Many investors would not be interested in buying, or holding onto, Greyfield Oregon stock if they were aware that Fiessel was sitting on and/or selling almost ten times the amount of stock the company claimed existed.

C. Fiessel Traded in Greyfield Oregon Shares for Himself and for the Jersey Couple

49. On May 6, 2005, Greyfield Oregon shares began trading at \$0.04. On May 16, the shares reached a high of \$0.05 on trading volume of 2,140,911. From May 6 to July 26, Fiessel sold more Greyfield Oregon shares than any other market participant. Fiessel sold approximately 76,188,684 shares of Greyfield Oregon stock through three different U.S. brokerage accounts, and his profit from these trades totals approximately \$112,433.

50. In addition, on a number of occasions Fiessel sold millions of Greyfield Oregon shares on the same day as, or the day following, a positive Greyfield Oregon

press release. Some of Fiessel's most profitable transactions followed this model of selling immediately after positive news was released by the company.

51. From May 6 to July 26, accounts in the names of the Jersey couple sold the next largest amount of Greyfield Oregon stock. The couple from Jersey sold approximately 60,670,000 shares of Greyfield stock through certain U.S. brokerage accounts, and their profits from these trades total approximately \$61,179. As stated above, Fiessel has complete discretion over some of the Jersey couple's brokerage accounts, and he was responsible for all of their trading in Greyfield Oregon stock.

52. Fiessel planned to gain control of a publicly traded company, issue himself and the Jersey couple free trading shares and then sell them quickly into a market manipulated by himself and his associates.

D. Fiessel Paid Doherty for Participating in the Greyfield Promotion

53. Although Doherty did not sell any Greyfield Oregon stock, between 2004 and 2005, he was paid thousands of dollars by the man from Jersey through an account controlled by Fiessel. Doherty and Fiessel began regular communication by email, telephone and in person concerning what eventually became Greyfield Oregon as early as October 2004. From October 2004 through May 2005, Doherty was paid \$26,125.40. In fact, Doherty received his payments from the same account to which Fiessel later sent the proceeds of the Jersey man's Greyfield Oregon stock sales.

54. Although Doherty characterized this money as loans for living expenses, they were in fact Doherty's payment for participation in the scheme. Whenever he told Fiessel he needed money, Doherty would receive a check or wire from the Jersey man's account.

55. In fact, Doherty admitted that he received these monies in lieu of being paid as a director of Greyfield Oregon. These facts establish that Doherty was paid \$26,125.40 for his participation in the Greyfield promotion.

IV. Doherty's and Fiessel's Scheme Begins to Unravel but They Continue to Make False and Misleading Statements in Order to Defraud Investors

A. Doherty Resigns and is Replaced by Bell

56. In the middle of June 2005, after discussions with Fiessel and the man from Virginia, Doherty resigned. On June 30, 2005, Doherty drafted a resignation letter and delivered it to the transfer agent. Notwithstanding his resignation, Doherty continued to perform official acts on behalf of the company.

57. Fiessel suggested that a woman named Ms. Bell replace Doherty as the president of Greyfield Oregon. Doherty had never met Bell and only knew that she was somehow connected to Fiessel. Bell is the 29 year old step-daughter of Fiessel.

58. In April 2005, Fiessel told Bell he needed her signature in order to make a signature stamp. Without asking her step-father any questions, Bell gave Fiessel a copy of her signature and heard nothing more about it. Bell was not aware that she was ever appointed the president or a director of Greyfield Oregon, and she never accepted either position. Fiessel provided Doherty and others with the Bell signature stamp.

59. Hewins was also unaware that Bell was made the president of Greyfield Oregon. Upon hearing about Bell being named president, Hewins asked Fiessel what qualifications she had to hold that position. Fiessel replied:

We need a figurehead. She has no power, no stock, anything. We just need a figurehead. Anybody can be president.

Fiessel admitted that Bell was “just a fill in, a substitute name for somebody to be president.”

B. Complaints about the Misappropriation of Greyfield and the Suspension of Trading in GRYF stock

60. As trading volume surged in Greyfield Oregon, the original shareholders of Greyfield Nevada realized that the volume was inconsistent with the number of shares originally outstanding. On July 20, 2005, counsel for Greyfield Nevada contacted the Commission to report that his clients were the real owners of Greyfield Capital, Inc. and that the company’s trading symbol had been misappropriated by Greyfield Oregon. The transfer agent confirmed that this was the case.

61. After speaking with counsel to Greyfield Nevada, the staff contacted the BCSC and informed it of alleged Greyfield Oregon activities in British Columbia. On or around July 22, 2005, BCSC regulators commenced an inquiry into Greyfield Oregon and attempted to contact Fiessel and Doherty. Soon thereafter, Fiessel asked Doherty to draft a written sales contract between Greyfield Oregon and the Autorama and to back date that contract to April 18, 2005, a date that preceded Greyfield Oregon’s press release announcing the acquisition of the Autorama.

62. Over the next few days, the staff and the BCSC uncovered sufficient facts to recommend that the Commission suspend trading in GRYF. On July 27, 2005, the Commission announced the temporary suspension of trading in the securities of Greyfield Capital, Inc.

C. Greyfield Oregon Posts a Misleading Response to the Commission's Trading Suspension on the Internet

63. In response to the Commission's trading suspension, Greyfield Oregon issued a press release a day later stating that it had "responded with full disclosure documentation." The July 28, 2005 press release stated that the documentation was available on the company's website and contained an Internet link that forwarded readers to a document containing information on Greyfield Oregon and the Autorama.

64. One of the documents on the website purported to provide the information necessary to comply with Rule 15c2-11 of the Exchange Act (the "15c2-11 Document"). Under "Item XI" of the 15c2-11 Document it stated:

Ms. O'Bell is president and a director of the company. Ms. O'Bell is an experienced businesswoman who has been involved directly/indirectly with the management of public companies of the past five years. Ms. Bell brings valuable insight and management experience to the company.

Prior to the commencement of this assignment Ms. Bell has assisted a number of start up companies. Duties included all administration and filings for these new companies.

Fiessel and Doherty were aware that these statements were placed on Greyfield Oregon's website.

65. These statements are not true. As noted above, Bell was not even aware that she was appointed the president or a director of Greyfield Oregon, and she never accepted either position. Bell also did not have any experience working with public companies and she has never "assisted a number of start up companies." In addition, the 15c2-11 Document certified that the information contained therein was true and purported to be signed by Bell. Bell, however, did not sign the 15c2-11 Document.

66. The website also included a document purporting to show Doherty appointing Bell as president and director of Greyfield Oregon and another document allegedly showing her accepting such appointments. Bell had never seen these documents, and she did not sign the document accepting the appointments. There were other documents posted on the website falsely purporting to be signed by Bell as well.

67. In addition to all of the above, Doherty posted copies of the unauthorized Pilling resignation and appointment letters on the company's website. As mentioned above, Fiessel had provided Doherty the signature stamps used to sign the Pilling and Bell documents that were filed with the 15c2-11 information. As a result, Fiessel is also responsible for the false 15c2-11 Document that Doherty posted.

68. These actions taken in response to the Commission's trading suspension are particularly troubling. By stating in its press release that Greyfield Oregon was responding "with full disclosure," Greyfield Oregon, Fiessel and Doherty should have corrected any false information and taken steps to stop any misconduct. Instead the company responded directly to the Commission's announcement with more false information.

FIRST CLAIM FOR RELIEF
Violations of Exchange Act Section 10(b) and Exchange Act Rule 10b-5

69. Paragraphs 1 through 68 are re-alleged and incorporated herein by reference.

70. As described above, defendants Fiessel and Doherty by use of means or instrumentalities of interstate commerce or of the mails: (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 the light of the

circumstances under which they were made, not misleading; and/or (c) engaged in acts, practices, or courses of business that operated or would operate as a fraud or deceit upon any person, in connection with the purchase or sale of any security.

71. Defendants Fiessel and Doherty knew or were reckless in not knowing of the facts and circumstances described above.

72. By reason of the foregoing, defendants Fiessel and Doherty each violated Exchange Act Section 10(b) [15 U.S.C. § 78j(b)] and Exchange Act Rule 10b-5 [17 C.F.R. § 240.10b-5].

SECOND CLAIM FOR RELIEF
Violations of Securities Act Section 17(a)(1)

73. Paragraphs 1 through 72 are re-alleged and incorporated herein by reference.

74. As described above, defendants Fiessel and Doherty, in the offer or sale of securities, by use of means or instruments of transportation or communication in interstate commerce or by use of the mails, directly or indirectly employed devices, schemes or artifices to defraud.

75. Defendants Fiessel and Doherty acted knowingly or recklessly in not knowing, with respect to the facts and circumstances described above.

76. By reason of the foregoing, defendants Fiessel and Doherty each violated Securities Act Section 17(a)(1) [15 U.S.C. § 77q(a)(1)].

THIRD CLAIM FOR RELIEF
Violations of Securities Act Section 17(a)(2) and (3)

77. Paragraphs 1 through 76 are re-alleged and incorporated herein by reference.

78. As described above, defendants Fiessel and Doherty, in the offer or sale of securities, by use of means or instruments of transportation or communication in

interstate commerce or by use of the mails, directly or indirectly: (a) obtained money or property by means of untrue statements of a material fact or omitted to state material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; and/or (b) engaged in transactions, practices, or courses of business that operated or would operate as a fraud or deceit upon the purchaser.

79. Defendants Fiessel and Doherty acted knowingly, recklessly in not knowing, or negligently with respect to the facts and circumstances described above.

80. By reason of the foregoing, defendants Fiessel and Doherty each violated Securities Act Sections 17(a)(2) and (3) [15 U.S.C. § 77q(a)(2) and (3)].

FOURTH CLAIM FOR RELIEF
Violations of Securities Act Sections 5(a) and 5(c)

81. Paragraphs 1 through 80 are re-alleged and incorporated herein by reference.

82. As described above, defendants Fiessel and Doherty, directly or indirectly, singly or in concert with others: (a) without a registration statement in effect as to the securities, (i) made use of the means or instruments of transportation or communication or the mails to sell such securities through the use or medium of a prospectus or otherwise, or (ii) carried or caused to be carried through the mails, or in interstate commerce, by any means or instruments of transportation, such securities for the purpose of sale or for delivery after sale; and (b) made use of the means or instruments of transportation or communication in interstate commerce or of the mails to offer to sell or offer to buy through the use or medium of a prospectus or otherwise securities for which a registration statement had not been filed as to such securities.

83. By reason of the foregoing, defendants Fiessel and Doherty have violated and, unless enjoined, will continue to violate Sections 5(a) and 5(c) of the Securities Act [15 U.S.C. §§ 77e(a) and 77e(c)].

PRAYER FOR RELIEF

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

I.

Finding that each of the defendants committed the violations alleged above;

II.

A. Permanently enjoining defendant Fiessel from further violations of Section 17(a) of the Securities Act [15 U.S.C. §§ 77q(a)], Sections 5(a) and 5(c) of the Securities Act [15 U.S.C. §§ 77e(a) and 77e(c)] and Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Exchange Act Rule 10b-5 [17 C.F.R. § 240.10b-5] thereunder;

B. Permanently enjoining defendant Doherty from further violations of Section 17(a) of the Securities Act [15 U.S.C. §§ 77q(a)], Sections 5(a) and 5(c) of the Securities Act [15 U.S.C. §§ 77e(a) and 77e(c)] and Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Exchange Act Rule 10b-5 [17 C.F.R. § 240.10b-5] thereunder;

III.

Permanently barring defendants Fiessel and Doherty from participation in any offering of penny stock, including engaging in activities with a broker, dealer, or issuer for purposes of issuing, trading, or inducing or attempting to induce the purchase or sale of any penny stock. Exchange Act Section 15(b)(6)(A) [15 U.S.C. § 78c (b)(6)(A)];

IV.

Permanently barring defendants Fiessel and Doherty from acting as an officer or director of any issuer having a class of securities registered with the Commission pursuant to Section 12 of the Exchange Act [15 U.S.C. § 78l] or that is required to file reports pursuant to Section 15(d) of the Exchange Act [15 U.S.C. § 78o(d)].

V.

Ordering defendants Fiessel and Doherty to provide an accounting and to disgorge any ill-gotten gains and/or unjust enrichment realized by each of them, plus prejudgment interest thereon;

VI.

Ordering defendants Fiessel and Doherty to pay appropriate civil monetary penalties pursuant to Securities Act Section 20(d) [15 U.S.C. §77t(d)] and Exchange Act Section 21(d) [15 U.S.C. § 78u(d)(3)];

VII.

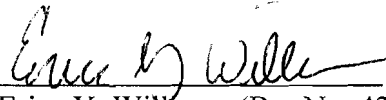
Retaining jurisdiction over this action to implement and carry out the terms of all orders and decrees that may be entered; and

VIII.

Granting such other relief as the Court deems just or appropriate.

Plaintiff demands a trial by jury.

Respectfully submitted,



Erica Y. Williams (Bar No. 43303)

Kenneth J. Guido (Trial Counsel)

Peter H. Bresnan

C. Joshua Felker

Samuel J. Draddy

Matthew L. Skidmore

Counsel for Plaintiff

Securities and Exchange Commission

100 F Street, N.E.

Washington, D.C. 20549

Tel: (202) 551-4450 (Williams)

Fax: (202) 551-9246 (Fax)

E-mail: williamse@sec.gov

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