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AUG 17 2006

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

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SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

-against-

ONE WALL STREET, INC., DONTE C. JARVIS,
ALAN BROWN, WILLIS "BILL" WHITE III, and
CECIL BAPTISTE a/k/a JOHN LATORRI

Defendants,

and

LA SHONDRA HATTER,

Relief Defendant.
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COMPLAINT

GARAUFIS, J.

LINDSAY, M.J.

Plaintiff Securities and Exchange Commission ("Commission"), alleges the following against defendants One Wall Street, Inc. ("One Wall Street"), Donte C. Jarvis ("Jarvis"), Alan Brown ("Brown"), Willis "Bill" White III ("White"), and Cecil Baptiste ("Baptiste") a/k/a John Latorri ("Latorri") (collectively, the "Defendants"), and relief defendant La Shondra Hatter ("Hatter" or the "Relief Defendant"):

SUMMARY

1. This is an emergency action brought to halt an ongoing fraudulent scheme targeting senior citizens. It involves the illegal offering of unregistered securities that has raised at least \$1.6 million, substantially all of which has been whittled away by Jarvis, who has used the investor proceeds to fund his personal expenses and to enrich his wife, Hatter, and his fellow Defendants. As part of this scheme, the Defendants have made numerous oral and written representations in the course of inducing at least 64 investors throughout the United States to purchase One Wall Street stock, including statements indicating that: (i) One Wall Street would soon conduct an initial public offering (“IPO”); (ii) E*TRADE Financial Corporation (“E*Trade”) was negotiating to merge with One Wall Street; and (iii) One Wall Street would use the investment proceeds for marketing to create exposure for the company, to acquire distressed financial research companies, to expand into international markets, and to expand the company’s information technology infrastructure. In fact, each of these representations was false and misleading: the Defendants have not pursued an IPO of One Wall Street, nor has E*Trade ever engaged in any business discussions with One Wall Street whatsoever. Moreover, rather than apply the investor proceeds towards legitimate business expenses, Defendant Jarvis used, and is continuing to use, investor funds to pay his personal expenses, including jewelry purchases, gambling and “adult entertainment” services, and payments for child day care, and has also given investor funds to his wife, Hatter, and fellow Defendants, essentially using One Wall Street’s account as a personal piggy bank.

2. By this action, the Commission seeks to terminate this ongoing fraudulent activity, prevent the dissipation of any remaining assets, and compel an accounting of the missing funds.

VIOLATIONS

3. By virtue of the conduct alleged herein:
 - a. The Defendants, directly or indirectly, singly or in concert, have engaged and are engaging in acts, practices and courses of business, that constitute violations of Sections 5(a) and 5(c) of the Securities Act of 1933 (the “Securities Act”), 15 U.S.C. §§ 77e(a) and 77e(c);
 - b. The Defendants, directly or indirectly, singly or in concert, have engaged and are engaging in acts, practices and courses of business, that constitute violations of Section 17(a) of the Securities Act, 15 U.S.C. § 77q(a); and
 - c. The Defendants, directly or indirectly, singly or in concert, have engaged and are engaging in acts, practices and courses of business, that constitute violations of Section 10(b) of the Securities Exchange Act of 1934 (the “Exchange Act”), 15 U.S.C. § 78j(b), and Rule 10b-5 thereunder, 17 C.F.R. § 240.10b-5.

Unless the Defendants are temporarily, preliminarily, and permanently restrained and enjoined, they will continue to engage in the acts, practices and courses of business set forth in this Complaint and in acts, practices, and courses of business of similar type and object.

NATURE OF THE PROCEEDINGS AND RELIEF SOUGHT

4. 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)(1) of the Exchange Act, 15 U.S.C. § 78u(d)(1), seeking to restrain and enjoin permanently the Defendants from engaging in the acts, practices and courses of business alleged herein.

5. The Commission also seeks, as immediate relief, a temporary restraining order

and a preliminary injunction against the Defendants, asset freezes against the Defendants and the Relief Defendant, verified accountings from the Defendants, expedited discovery, and an order prohibiting the Defendants from destroying or altering documents.

6. Finally, the Commission seeks a Final Judgment ordering the Defendants and the Relief Defendant to disgorge their ill-gotten gains and to pay prejudgment interest thereon, and ordering the Defendants to pay civil money 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).

JURISDICTION AND VENUE

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

8. Venue lies 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. The Defendants, directly and indirectly, have made use of the means and instrumentalities of interstate commerce, or of the mails, in connection with the transactions, acts, practices and courses of business alleged herein. A substantial part of the events and omissions giving rise to the Commission's claims occurred in the Eastern District of New York, such as: One Wall Street maintains headquarters in this District; the Defendants received and solicited investor funds in this District; and the Defendants used bank accounts serviced by banks in this District in connection with One Wall Street's business. Defendants White, Jarvis, and Brown and Relief Defendant Hatter also reside in this District. On information and belief, Defendant Baptiste also resides in this District.

THE DEFENDANTS AND THE RELIEF DEFENDANT

9. **One Wall Street**, is a Delaware corporation with an office in Hicksville, New York, and purports to have offices in Fort Lee, New Jersey, Chicago, Illinois, and Atlanta, Georgia. It purports to be a stock market research firm that distributes research reports to subscribers. One Wall Street's stock is not registered pursuant to the Exchange Act and its securities do not trade publicly. On approximately July 7, 2006, One Wall Street closed its office at 76 N. Broadway #4009, Hicksville, New York, and moved less than one mile to a new office at 535 S. Broadway # 212, Hicksville, New York, where it has continued to solicit investors. As discussed in more detail herein, during the period referenced in this Complaint, One Wall Street distributed a private placement memorandum to certain investors.

10. **Jarvis**, age 31, is a resident of Wheatley Heights, New York. Jarvis is the Chief Executive Officer, Chief Operating Officer, President, Secretary, and Chief Analyst of One Wall Street. Between April 1998 and November 2000, Jarvis was a registered representative associated with Fletcher and Faraday, Inc., a former broker-dealer located in Hempstead, New York. Between March and December 1996, Jarvis was a registered representative with Global Financial Group, Inc., a broker-dealer in Plainview, New York.

11. **White**, age 40, is a resident of West Hempstead, New York, and manages One Wall Street's office. Between March and October 1996, White was a registered representative associated with J.S. Securities, a former broker-dealer located in Westbury, New York.

12. **Brown**, age 35, is a resident of Wheatley Heights, New York, and is Jarvis' next door neighbor. A One Wall Street private placement memorandum lists Brown as the Director of Sales. He has never been associated with any registered broker-dealer.

13. **Baptiste, a/k/a Latorri**, age 34, is, on information and belief, a resident of Queens Village, New York, and is a salesperson at One Wall Street. Between April 1998 and December 1998, Baptiste was a registered representative associated with Fletcher and Faraday (when Jarvis was associated with that firm). Upon information and belief, the name “John Latorri” is an alias that was used by Baptiste in connection with certain of the activities alleged herein. Accordingly, for purposes of the “Facts” section of this Complaint, Baptiste is referred to hereinafter as “Latorri.”

14. **Hatter**, age 30, is a resident of Wheatley Heights, New York, and, upon information and belief, is Jarvis’ wife. Hatter lives with Jarvis in a residence whose address is listed as the “corporate headquarters” of One Wall Street. From September 2003 through June 2006, Jarvis gave Hatter at least \$166,000 in checks and cashier’s checks drawn on the One Wall Street account.

FACTS

A. Background

15. One Wall Street is a Delaware corporation headquartered in Wheatley Heights, New York, with an office in Hicksville, New York. One Wall Street also purports to have offices in Fort Lee, New Jersey, Chicago, Illinois, and Atlanta, Georgia. It purports to be a research firm providing recommendations to investors who subscribe to its news service. However, One Wall Street’s primary source of revenue is selling One Wall Street stock to unsophisticated, unaccredited investors, a large portion of whom are senior citizens.

B. Defendants’ Misrepresentations to Investors

16. Since at least March 2003 and continuing to the present (the “Relevant Period”), One Wall Street sold its common stock directly to the investing public. In 2003, 2004, and 2005,

One Wall Street raised at least \$177,000, \$368,000, and \$530,000, respectively, by stock sales. During the first 7 months of 2006, One Wall Street raised at least an additional \$533,000. Many of these sales were made through the Defendants' false and misleading oral and written representations.

i. Brown, Latorri, and White's Oral Misrepresentations

17. While employed at One Wall Street, Brown, Latorri, and White have collectively sold One Wall Street stock to at least 31 investors on the basis of numerous false and misleading oral misrepresentations. Brown, Latorri, and White collectively told all of these investors that an IPO for One Wall Street was imminent, and that once One Wall Street became a publicly traded company, its stock price would trade substantially higher than the offered, pre-IPO price.

Brown, Latorri, and White told certain investors that the IPO would occur on a specific date, while they told other investors more generally that the IPO would occur within a matter of months. Brown, Latorri, and White also told some investors that One Wall Street would soon be acquired by E*Trade or another large, unidentified company. In their sales pitches, neither Brown, Latorri, nor White ever disclosed that the investors' proceeds would be used to pay for the personal expenses of One Wall Street's President and Chief Executive Officer, Jarvis.

a. Brown's Misrepresentations

18. During the Relevant Period, Brown, One Wall Street's Director of Sales, solicited at least 5 investors to purchase One Wall Street stock through a series of false and misleading oral misrepresentations. Thus, by way of example:

- (i) In July 2004, Brown contacted investor AM, a 79 year-old New York state resident, and told AM that he could invest in a "pre-IPO" of One Wall Street common stock at a price of \$2 per share. Brown further told AM that once the IPO took place, One Wall Street would trade at a price of \$4 per share, thereby enabling AM to double his investment. Based on Brown's representations, AM invested \$20,000 in One Wall Street, purchasing 10,000 shares of One Wall Street stock;

- (ii) Approximately three years ago, Brown solicited investor SV, a 54 year-old Nevada resident, to purchase One Wall Street stock. Brown told SV that One Wall Street was then acquiring certain unnamed companies in Atlanta and Paris and would conduct an IPO in the "near future," at which point its stock would rise to \$25 to \$30 per share. Based on Brown's representations, SV invested \$10,000, purchasing 5,000 shares of One Wall Street stock; and
- (iii) In January 2004, Brown solicited investor RJ, a 71 year-old California resident, to purchase One Wall Street stock. During his sales pitch, Brown falsely claimed that he was registered with the Commission, that One Wall Street would become a public company in August 2004 with its stock trading at \$3 per share, and that once the IPO had taken place, One Wall Street's stock would rise to \$4 per share "in no time." Based on Brown's representations, RJ invested \$10,000, purchasing 5,000 shares of One Wall Street stock.

b. Latorri's Misrepresentations

19. During the Relevant Period, Latorri, a salesman at One Wall Street, solicited at least 17 investors to purchase One Wall Street stock through a series of false and misleading oral misrepresentations. Thus, by way of example:

- (i) In approximately August 2003, Latorri told investor GC, a 70 year-old California resident, that One Wall Street planned to become a public company shortly, with its stock trading between \$9 and \$12 per share at the time of the IPO. Based on Latorri's representations, GC invested \$15,000 in One Wall Street, purchasing 10,000 shares at \$1.50 per share. Since GC's initial stock purchase, Latorri has provided GC with three different dates on which Latorri represented that One Wall Street's IPO would take place, all of which have since passed. In approximately January 2006, Latorri told GC that One Wall Street was possibly going to merge with E*Trade and that, in the event it did so, each One Wall Street shareholder would receive one share of E*Trade stock for each share of One Wall Street stock. Based on this representation, GC invested an additional \$5,000 in One Wall Street purchasing 5,000 shares at \$1 per share;
- (ii) In August 2003, Latorri contacted investor RL, a 60 year-old Ohio resident, and told him that One Wall Street would be going public in February 2004. In March 2004, Latorri contacted RL again and told him that One Wall Street would be going public on May 11, 2004. Based upon Latorri's representations, RL made separate investments of \$5,000 for 2,500 shares of One Wall Street stock (in August 2003), \$5,000 for 7,500 shares (in March 2004), and \$6,250 for 12,500 shares (in March 2005). In connection with each of these investments, Latorri promised RL that One Wall Street would return RL's investment in the event that the company did not go public by certain dates, all of which have since passed. Despite having requested the return of his

investments, RL has not received any payments from One Wall Street whatsoever; and

- (iii) In 2005, Latorri told investor RC, a 71 year-old New York resident, and investor EB, a 79 year-old California resident, that One Wall Street was going to be acquired by E*Trade. In July 2006, after such a transaction never occurred, Latorri subsequently told both investors that One Wall Street would become a public company in September 2006. Latorri also represented that One Wall Street's stock would trade on the NASDAQ market under the symbol "OWST," at between \$6.50 and \$10 per share. Based upon these and earlier representations made by Latorri, RC and EB have invested \$3,500 and \$136,000, respectively, in One Wall Street stock.

c. White's Misrepresentations

20. During the Relevant Period, White, the manager of One Wall Street's Hicksville office, solicited at least 9 investors to purchase One Wall Street stock through a series of false and misleading oral misrepresentations. Thus, by way of example:

- (i) In 2005, White solicited investor DS, a 63 year-old California resident, to purchase One Wall Street stock, and told DS that One Wall Street was going to merge with a larger broker-dealer, such as Ameritrade. Based on this representation and on White's statement that DS could quadruple his money, DS invested \$10,000 in One Wall Street common stock;
- (ii) In May 2004, White contacted investor JE, a 55 year-old New York resident, and offered to sell him One Wall Street stock at \$2 per share. White represented to JE that One Wall Street was going public in a few months and that, once it did, it would trade at at least \$5 per share. Based upon White's representations, JE purchased 1,000 shares of One Wall Street stock at a price of \$2 per share; and
- (iii) In approximately March 2004, White told investor PB, a 43 year-old Connecticut resident, that One Wall Street had a "three week deal" during which PB could purchase stock at \$2 per share. White further represented that One Wall Street would have an IPO in three weeks and would trade on the NASDAQ at prices between \$3.50 and \$4.50 per share. Based on White's representations, PB invested \$5,000 in One Wall Street, purchasing 2,500 shares at \$2 per share. After three weeks had passed, PB conducted research on the internet to determine whether One Wall Street had made any filings with the Commission (*i.e.*, had gone public). When PB could not find any such filings, he contacted White and asked him why the company had not gone public. White told PB that PB must not have been using the proper ticker symbol, and told him to check the symbol "OWST." When that search did not provide any result, PB reconfronted White, and White told PB that White could not

understand why PB was not finding any information. White subsequently acknowledged to PB that One Wall Street had not gone public, and indicated that it would in the future.

ii. Misrepresentations in the Private Placement Memorandum

21. During the Relevant Period, the Defendants distributed at least two private placement memoranda (“PPM”) to investors and potential investors, one dated June 1, 2003, and the other dated October 1, 2004, to induce them to purchase One Wall Street stock. The contents of both PPMs are essentially the same, and accordingly, for purposes of this Complaint will be referred to in the singular.

22. The PPM contained various false and misleading statements, including the representations that:

- (i) The proceeds from One Wall Street’s \$5 million offering would be used in the following manner: \$500,000 for legal fees and other expenses associated with the offering; \$1 million for marketing (with the primary focus being “to expand the company’s awareness, particularly its web site and among on-line trading sites”); \$1.5 million to acquire distressed financial research companies; \$1.5 million to expand into international markets; and \$500,000 to expand the company’s IT infrastructure; and
- (ii) One Wall Street would provide investors with annual reports containing audited consolidated financial statements.

23. The PPM also included a letter to investors from the CEO, Defendant Jarvis, whom the PPM stated was the “principle analysis [*sic*], market technician and editor of all product communications.” The PPM did not disclose that the offering proceeds would be used to pay the personal expenses of Jarvis or anyone else. As the CEO and President of One Wall Street, Jarvis was responsible for the representations made in the PPM.

C. The Oral and Written Representations Were False and Misleading

24. Each of the Defendants' representations referred to above was false and misleading, and, at the time they made such representations, the Defendants knew, or were reckless in not knowing, that such representations were false.

i. The Oral Representations Were False and Misleading

25. The oral representations that Brown, Latorri, and White made to One Wall Street investors were false and misleading. First, One Wall Street is not a publicly traded company, and has not made any serious efforts to become one. Second, E*Trade has not engaged in any business discussions with One Wall Street whatsoever. Finally, there was no basis for Brown, Latorri, and White's predictions that the value of One Wall Street's stock would reach certain price points in the future.

ii. The PPM Representations Were False and Misleading

26. The PPM representations set forth above were similarly false and misleading. First, the PPM falsely described the offering's use of investor proceeds. While the PPM claimed that One Wall Street would use investors' funds for acquisition, expansion and other legitimate corporate needs, One Wall Street's bank records show that its CEO and President, Jarvis, is the sole authorized signatory on One Wall Street's bank account and that during the Relevant Period, Jarvis used the investors' funds for his personal living expenses and to enrich his fellow Defendants and his wife, Relief Defendant, Hatter. In particular, from December 26, 2002 through July 31, 2006 (the "Account Period"), there were approximately \$2.1 million in deposits credited to the One Wall Street bank account. At least \$1.6 million of this amount reflects investments from at least 64 One Wall Street investors. During the Account Period, Jarvis withdrew substantially all of the funds from the One Wall Street bank account, leaving only

