

UNITED STATES DISTRICT COURT FOR THE  
EASTERN DISTRICT OF MICHIGAN

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

PETER W. FISHER, N. TYLER FISHER, DAVID B.  
STOCKER, PHILLIP W. OFFILL, JR., and  
COLLECTIVE THOUGHT HOLDINGS, INC.,

Defendants.

Case: 2:07-cv-12552  
Assigned To: Rosen, Gerald C  
Referral Judge: Kornives, Paul J  
Assign. Date: 8/14/2007  
Description: CMP SECURITY  
EXCHANGE VS FISHER, ET AL  
(LE)

**Demand for Jury Trial**

**COMPLAINT**

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

**NATURE OF THE COMPLAINT**

I. This matter involves the market manipulation of the stock of AVL Global, Inc. ("AVL Global"), a penny stock company. Beginning in April 2004, defendants engaged in a scheme to issue millions of shares of AVL Global stock illegally, without any public disclosure of the company's unsuccessful business operations or failing financial position. A large number of those shares were later sold to the public at a time when the company issued false and misleading press releases touting the company's prospects. The scheme was carried out by Peter W. Fisher and his son, N. Tyler Fisher, who together controlled AVL Global, with the assistance of two attorneys, David B. Stocker and Phillip W. Offill, Jr., and Offill's company, Collective Thought, Inc. (collectively, "Defendants").

2. Defendants' illegal conduct occurred in two phases. First, from April through October 2004, Peter Fisher and Tyler Fisher caused AVL Global to issue approximately 15 million shares of stock in sham sales to investment companies controlled by Offill or Stocker. The sham sales to the intermediary investment companies were designed to avoid registration with the Commission. If AVL Global had registered the sales to the investment companies, AVL Global would have been required to provide the public with important, detailed disclosures about the company's business and finances.

3. Instead, the intermediary investment companies improperly evaded registration by claiming that they intended to purchase the shares for "investment purposes" and that they had no intention to sell the shares. In fact, however, these companies were not long term investors: the Defendants arranged for the quick transfer of the vast majority of the shares from the investment companies to Peter Fisher, his family, his investment company, or his business associates. Peter Fisher subsequently sold a large number of the shares to the public, which was unaware of the true financial condition of AVL Global.

4. The transactions were facilitated by attorneys Stocker and Offill. Stocker drafted the legal documents essential to the stock sales and directed the transfer of the shares from the investment companies to Peter Fisher's control. Offill purchased and resold shares through his investment company, Collective Thought. Both Stocker and Offill thus helped the Fishers obtain AVL Global shares that were later sold to the public without disclosure of any important information about the company.

5. In the second phase of the scheme, from December 2004 to February 2005, Peter Fisher and Tyler Fisher caused AVL Global to issue a series of press releases touting the

company's business plans and prospects. As the Fishers knew, the press releases were false and misleading—at the time the Fishers touted the company's successes, AVL Global had in fact abandoned its business and ceased operations. Peter Fisher benefited from Defendants' illegal scheme both through his sale on the open market of at least \$160,000 worth of AVL Global stock from June 2004 through February 2005, and indirectly through the millions of shares of AVL Global stock that he distributed to his family and business associates.

6. The Commission seeks a judgment against all Defendants enjoining them from future violations of the securities laws and requiring each of them to pay a civil penalty for their violations. The Commission further requests that the judgment prohibit all Defendants from participating in any future penny stock offering. Finally, the Commission requests that the judgment bar defendants Peter Fisher and Tyler Fisher from serving in the future as an officer or director of any public company and that it require defendants Stocker and Peter Fisher to disgorge any gain or benefit they received from their violations of the federal securities laws.

#### **THE DEFENDANTS**

7. Peter W. Fisher, age 61, is a Canadian citizen and lives in Ontario, Canada. Peter Fisher served as a "consultant" to AVL Global. At all relevant times, Peter Fisher has held a majority of AVL Global stock. In December 1983, Peter Fisher pleaded guilty in the Ontario courts to a criminal charge of unlawfully acting as an underwriter and paid a \$1,000 (Canadian) fine.

8. N. Tyler Fisher, age 31, is a Canadian citizen and lives in Ontario, Canada. Tyler Fisher is Peter Fisher's son. Tyler Fisher was the president of AVL Global and served as the only member of the company's board of directors.

9. David B. Stocker, age 47, is an attorney in Phoenix, Arizona, and admitted to the Arizona bar. Stocker is a solo practitioner specializing in securities issuance.

10. Phillip W. Offill, Jr., age 48, is an attorney in Dallas, Texas, and admitted to the bar in Texas and Oklahoma. During the relevant period, Offill was a partner in a Texas-based law firm and served as chairman of the firm's securities law practice.

11. Collective Thought Holdings, Inc. ("Collective Thought") is a corporation organized under the laws of Texas with its principal place of business in Dallas, Texas. Offill incorporated Collective Thought on July 20, 2004, for the sole purpose of purchasing or subscribing to purchase AVL Global stock.

#### **RELATED PARTY**

12. AVL Global, Inc., during the relevant period, was a Nevada corporation with its principal place of business in Port Huron, Michigan. The company, which was incorporated on April 8, 2004, purported to provide satellite tracking data for automobiles. In December 2005, AVL Global agreed to be acquired by another company. The acquisition closed on December 27, 2005.

13. During the relevant period, AVL Global was a "penny stock" issuer because its shares traded for less than \$5.00 and it met the other requirements of Section 3(a)(51) of the Exchange Act [15 U.S.C. § 78c(a)(51)] and Rule 3a51-1 thereunder [17 C.F.R. § 240.3a51-1]. At all relevant times, shares of AVL Global common stock were quoted on the Pink Sheets under the symbol "AVLL."

## **JURISDICTION AND VENUE**

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

15. The Eastern District of Michigan is a proper venue for this action because, at the time of the conduct set forth below, AVL Global had its principal place of business in this district. Defendants Peter Fisher and Tyler Fisher were employed in this district by AVL Global and certain of the acts and transactions at issue in this action occurred here.

16. All defendants, directly and indirectly, made use of the means and instrumentalities of interstate commerce, the means and instruments of transportation and communication in interstate commerce, and the mails, in connection with the acts, practices and courses of conduct set forth in this Complaint.

## **DEFENDANTS’ CONDUCT**

17. Peter Fisher and his son, Tyler Fisher, incorporated AVL Global, Inc. on April 8, 2004. The Fishers’ purported business plan for AVL Global was to manufacture and market a tracking device based on global positioning system technology for the automobile repossession industry. AVL Global attracted few customers and had little or no revenue. At its peak, the company had only three employees, including Tyler Fisher.

18. At or about the time of incorporation on April 8, 2004, Tyler Fisher became the president of AVL Global, the company’s sole officer, and the sole director of the company. As such, Tyler Fisher signed all corporate documents on behalf of AVL Global, including board authorizations. Officially, Peter Fisher worked only as a “consultant” to AVL Global. Behind

the scenes, however, Peter Fisher controlled nearly all aspects of the company. Peter Fisher instructed or advised Tyler Fisher with respect to almost every action that Tyler Fisher performed as the company's sole officer and director, including issuing stock and hiring stock promoters. Peter Fisher also wrote or approved the company's press releases and negotiated asset sales for the company.

### **Overview of the Defendants' Illegal Scheme**

19. In order for a company such as AVL Global to offer or sell shares to the public, the federal securities laws require that the company file a registration statement with the Commission. As part of the registration process, the company must provide potential investors with important, detailed disclosures about its business and finances. Alternatively, federal law allows a company to sell shares in a so-called "limited offering" to certain investors without registration, provided that the offering meets other statutory requirements. Shares sold in a "limited offering" generally cannot be immediately resold to the public, but rather must be held as an investment. Normally, if shares were to be sold in a "limited offering" without filing a registration statement, the share certificates would bear a written notice restricting them from resale. Shares bearing the notice are sometimes referred to as "restricted" and shares without the notice are sometimes referred to as "unrestricted" or "free trading" shares.

20. Beginning in April 2004, all of the Defendants engaged in a lucrative but illegal scheme. The purpose of the scheme was to allow AVL Global to issue free trading shares that Peter Fisher could ultimately sell to the public for personal profit without complying with the registration and disclosure requirements of the federal securities laws. Full and accurate public disclosure of AVL Global's business operations in 2004 would have revealed that the company

was failing and a poor investment opportunity. The scheme to sell stock to the public without adequate disclosure thus benefited Peter Fisher and Tyler Fisher, who were aware of AVL Global's true financial condition, and harmed investors, who did not have access to the Fishers' information about the company.

21. As part of their scheme, Peter Fisher and Tyler Fisher caused AVL Global to issue approximately 15 million shares of common stock in three transactions in April, July, and October 2004. On paper, the three transactions appeared to be legitimate arms-length sales to investors. In fact, however, the stock sales were shams designed to evade public disclosure about AVL Global's business.

22. In each of the transactions, AVL Global sold stock to an investment company controlled by Stocker or Offill. Stocker drafted the legal documents essential to the transactions, including representations by the investment company that it intended to purchase the shares for "investment purposes." These false representations formed the basis for Stocker's legal opinions that the sales were exempt from registration and the accompanying public disclosure of important business and financial information about AVL Global.

23. Stocker directed that AVL Global's transfer agent, which was responsible for creating and tracking the company's stock certificates, issue free trading shares without restrictions in each transaction. Then, immediately after the transfer agent issued the shares to the investment companies on behalf of AVL Global, Stocker, acting with power of attorney, transferred the vast majority of the shares back to Peter Fisher, his family or business associates. As a result, Peter Fisher controlled approximately 90% of the AVL Global shares issued in the April, July, and October 2004 stock transactions.

24. AVL Global paid Stocker \$32,500 for his work on the three stock distributions. Stocker, who (among other things) drafted the essential legal documents to facilitate the stock sales, and Offill, who purchased and resold the shares through his corporation, Collective Thought, were necessary participants in the transactions and played substantial roles in the unregistered transfers of AVL Global shares and eventual sales to the public.

25. Subsequently, beginning in October 2004, Peter Fisher and Tyler Fisher engaged in a promotional campaign to tout the business prospects of AVL Global. As part of the campaign, Peter Fisher and Tyler Fisher caused AVL Global to issue a series of false and misleading press releases from December 2004 to February 2005. At the same time, Peter Fisher sold thousands of shares to the unsuspecting public, which was unaware of AVL Global's true financial condition. Peter Fisher benefited from the Defendants' illegal scheme both through his sale on the open market of at least \$160,000 worth of AVL Global stock from June 2004 through February 2005, and indirectly through the millions of shares of AVL Global stock that he distributed to his family and business associates.

#### **The April 2004 Stock Transaction**

26. In the spring of 2004, Peter Fisher and Tyler Fisher were referred to Stocker. The Fishers retained Stocker to help AVL Global obtain a listing on the Pink Sheets, a marketplace for public trading of shares of primarily penny stock companies that do not meet the listing requirements of other stock exchanges. In addition, Peter Fisher and Tyler Fisher retained Stocker for the purpose of assisting the company to issue "free trading" shares of AVL Global stock. Stocker had performed these services on behalf of other companies.

27. Stocker subsequently began a series of steps designed to evade registration of the transaction with the Commission. These steps illegally enabled the transfer of the stock from AVL Global through an investment company back to the control of Peter Fisher. A substantial number of these shares were later sold to the public, either by Peter Fisher or by his business associates, without full and accurate disclosure of AVL Global's financial condition.

28. On April 9, 2004, one day after AVL Global was incorporated, Stocker incorporated Lake Tahoe Ski Rental, Inc. under Texas law to purchase shares of AVL Global. Stocker appointed one of his clients as the sole officer and director of the corporation.

29. Stocker drafted a "subscription agreement" on behalf of Lake Tahoe Ski Rental to purchase 5,020,000 shares of AVL Global stock for \$50,020. Among other representations in the subscription agreement prepared by Stocker, Lake Tahoe Ski Rental stated that it intended to purchase the AVL Global shares for "investment purposes" and that it had no intention to sell the shares. Lake Tahoe Ski Rental entered into the subscription agreement with AVL Global on April 9, 2004, the same day it was incorporated by Stocker.

30. Stocker prepared a consent for the AVL Global board of directors accepting Lake Tahoe Ski Rental's offer and authorizing the issuance of the shares. Tyler Fisher, acting at Peter Fisher's direction, accepted the Lake Tahoe Ski Rental subscription agreement and signed the consent of the AVL Global board of directors on or about April 9, 2004.

31. Stocker drafted a legal opinion letter concerning the sale of the AVL Global shares to Lake Tahoe Ski Rental. In his letter, Stocker asserted that the stock sale was exempt from registration with the Commission. Stocker sent his opinion letter to AVL Global on or about April 9, 2004.

32. On April 12, 2004, Stocker retained a transfer agent for AVL Global. Stocker sent the transfer agent a copy of his opinion letter and asked the transfer agent to issue AVL Global shares to Lake Tahoe Ski Rental pursuant to the subscription agreement. On April 16, 2004, in accordance with Stocker's request, the transfer agent issued a certificate for 5,020,000 shares to Lake Tahoe Ski Rental. At Stocker's request, the transfer agent omitted a notice of any restriction on the resale of the shares. Without the restrictive notice on the stock certificate, the shares were ostensibly free trading. AVL Global did not register the sale of shares to Lake Tahoe Ski Rental with the Commission and no registration statement was in effect with respect to the sale.

33. Lake Tahoe Ski Rental, which had claimed that it had no intention to sell the stock, held its shares for exactly one week. On April 23, 2004, using a power of attorney, Stocker instructed the transfer agent to transfer the shares out of the control of Lake Tahoe Ski Rental. Stocker directed the transfer agent to cancel the certificate for 5,020,000 shares issued to Lake Tahoe Ski Rental and issue new share certificates for five million shares to an attorney in Florida who had helped the Fishers incorporate AVL Global, and 20,000 shares to three other companies controlled by Stocker's client, the sole officer and director of Lake Tahoe Ski Rental. The transfer agent acted as directed by Stocker. AVL Global did not register the transfer of shares with the Commission and no registration statement was in effect with respect to the transfer.

34. On April 28, 2004, five days after receiving the shares, the Florida attorney requested that the transfer agent again transfer the shares. The Florida attorney requested that the transfer agent cancel the certificate for five million shares and issue share certificates to 22.

shareholders identified to the Florida attorney by Peter Fisher. The 22 shareholders included Peter Fisher, Peter Fisher's investment company, and Peter Fisher's immediate family members and business associates. The transfer agent acted as directed by the Florida attorney.

AVL Global did not register the transfer of shares with the Commission and no registration statement was in effect with respect to the transfer.

35. The transaction, which on paper was a purported investment by Lake Tahoe Ski Rental, was in reality constructed to transfer free trading shares of AVL Global stock to Peter Fisher, his family, and business associates. Within three weeks in April 2004, defendants Stocker, Peter Fisher and Tyler Fisher authorized and directed the illegitimate sale and subsequent transfer of shares through intermediaries back to the control of Peter Fisher. None of the transfers was registered with the Commission and no information about the financial condition of AVL Global was publicly disclosed.

#### **The July 2004 Stock Transaction**

36. On May 1, 2004, shortly after the series of stock sales in April, AVL Global shares were quoted on the Pink Sheets. Investors, for the first time, were able to buy and sell shares of AVL Global in the public market. AVL Global, however, made no information about the financial condition of the company available to the public.

37. In mid-July 2004, AVL Global began a second series of stock sales. Peter Fisher initiated the distribution through a Canadian business associate. At Peter Fisher's request, the Canadian business associate asked Stocker to help AVL Global distribute five million shares to six associates of Peter Fisher, including the Canadian business associate.

