

1 KELLY BOWERS, Cal. Bar No. 164007  
Bowersk@sec.gov  
2 MOLLY WHITE, Cal. Bar No. 171448  
Whitem@sec.gov  
3 RABIA CEBECI, Cal. Bar No. 143634  
Cebecir@sec.gov  
4

5 Securities and Exchange Commission  
Randall R. Lee, Regional Director  
6 Michele Layne, Associate Regional Director  
5670 Wilshire Boulevard, 11th Floor  
7 Los Angeles, California 90036  
Telephone: (323) 965-3998  
8 Facsimile: (323) 965-3908  
9

10 **UNITED STATES DISTRICT COURT**  
11 **CENTRAL DISTRICT OF CALIFORNIA**

12 **SECURITIES AND EXCHANGE**  
13 **COMMISSION,**

14 **Plaintiff,**

15 **vs.**

16 **PHOENIXSURF.COM, LLC, NEW**  
17 **MILLENIUM ENTREPRENEURS,**  
18 **LLC, JONATHAN W. MIKULA, AND**  
19 **GABRIEL J. FRANKEWICH,**

20 **Defendants.**

Case No.

**COMPLAINT FOR VIOLATIONS OF  
THE FEDERAL SECURITIES LAWS**

21  
22  
23  
24  
25  
26  
27  
28

1 Plaintiff Securities and Exchange Commission (“Commission”) alleges as  
2 follows:

3 **JURISDICTION AND VENUE**

4 1. This Court has jurisdiction over this action pursuant to Sections 20(b),  
5 20(d)(1) and 22(a) of the Securities Act of 1933 (“Securities Act”), 15 U.S.C. §§  
6 77t(b), 77t(d)(1) & 77v(a), and Sections 21(d)(1), 21(d)(3)(A), 21(e) and 27 of the  
7 Securities Exchange Act of 1934 (“Exchange Act”), 15 U.S.C. §§ 78u(d)(1),  
8 78u(d)(3)(A), 78u(e) & 78aa. Defendants have, directly or indirectly, made use of  
9 the means or instrumentalities of interstate commerce, of the mails, or of the  
10 facilities of a national securities exchange, in connection with the transactions,  
11 acts, practices, and courses of business alleged in this complaint.

12 2. Venue is proper in this district pursuant to Section 22(a) of the  
13 Securities Act, 15 U.S.C. § 77v(a), and Section 27 of the Exchange Act, 15 U.S.C.  
14 § 78aa, because certain of the transactions, acts, practices, and courses of conduct  
15 constituting violations of the federal securities laws occurred within this district.

16 **SUMMARY**

17 3. This matter involves the fraudulent, unregistered offering of  
18 investment contracts constituting securities in a Ponzi scheme offered and sold via  
19 the Internet by two entities, defendant Phoenixsurf.com, LLC, also known as  
20 Pheonixsurf.com, LLC (“Phoenix Surf”), defendant New Millenium Entrepreneurs,  
21 LLC (“NME”), NME’s owner, defendant Jonathan W. Mikula (“Mikula”), and  
22 Phoenix Surf’s president, Gabriel J. Frankewich (“Frankewich”) (collectively  
23 “Defendants”).

24 4. From February 22, 2006 through May 21, 2006 (the “offering  
25 period”), the Defendants operated the Internet website www.phoenixsurf.com.  
26 Phoenix Surf purported to be a “traffic exchange program” whose members  
27 purportedly earned money for viewing the websites that other paying users had  
28 submitted to the Phoenix Surf website. In fact, Phoenix Surf’s offer and sale of

