

Plaintiff Securities and Exchange Commission (“Commission”), for its Complaint alleges as follows:

I.

SUMMARY

1. This Complaint concerns accounting fraud, false statements, securities registration violations and other securities law violations by Amazon Natural Treasures, Inc. (“Amazon”) and its president, Michael A. Sylver (“Sylver”), and former vice president, Domingos Loricchio Jr. (“Loricchio Jr.”).

2. Amazon primarily sells dietary supplements derived from plants grown in the Amazon rain forest in Brazil. From at least 1997 through March 2000, Amazon made numerous materially false and misleading statements and omissions in public filings with the Commission, press releases, its Internet web site [www.amazon-treasures.com], and other documents disseminated to the public. Sylver drafted or approved each of these false statements, and Loricchio Jr. signed and approved some of the company’s filings containing false statements. The statements and omissions broadly fall into four categories: (1) overstatement of sales revenue for the year ended December 31, 1998; (2) undisclosed cash and stock given to Sylver by Amazon; (3) baseless and unreasonable revenue projections and financial information; and (4) false and misleading claims about the benefits and safety of Amazon’s products. Additionally, Amazon failed to develop and maintain adequate books and records and internal accounting controls. Amazon also failed to file with the Commission its Form 10-KSB for the year ended

December 31, 1999 and its last three Form 10-QSBs for fiscal years 1999 and 2000, and most of its previous filings were filed late. Finally, from at least 1997 through 1999, Amazon sold millions of shares of unregistered, non-exempt stock.

3. The Commission brings this action pursuant to the following authorities conferred upon it: one, Section 20(d) of the Securities Act of 1933 ("Securities Act") [15 U.S.C. § 77t] and Section 21(d)(3) of the Securities Exchange Act of 1934 ("Exchange Act") [15 U.S.C. § 78u(d)] for civil money penalties; two, Section 20(b) of the Exchange Act [15 U.S.C. § 77t] and Section 21(d)(1) of the Exchange Act [15 U.S.C. § 78u(d)] for an order permanently restraining and enjoining Defendants and granting other equitable relief; and three, Section 20(e) of the Securities Act [15 U.S.C. § 77t] and Section 21(d)(2) of the Exchange Act [15 U.S.C. § 78u(d)] for an officer and director bar.

4. Against Amazon, the Commission seeks a permanent injunction for violations of Sections 5(a), 5(c) and 17(a) of the Securities Act [15 U.S.C. §§ 77e(a), 77e(c) and 77q(a)], Sections 10(b), 13(a), 13(b)(2)(A) and (B) of the Exchange Act [15 U.S.C. §§ 78j(b), 78m(a), 77m(b)(2)(A) and 77m(b)(2)(B)], and Rules 10b-5, 12b-20, 12b-25, 13a-1, 13a-13, and 13b2-1 thereunder [17 C.F.R. 240.10b-5, 240.12b-20, 240.12b-25, 240.13a-1, 240.13a-13, and 240.13b2-1].

5. Against Sylver, the Commission seeks an order of permanent injunction, disgorgement (including prejudgment interest), civil money penalties, and an officer and director bar for violations of Sections 5(a), 5(c) and 17(a) of the Securities Act, Section 10(b) of the

Exchange Act and Rules 10b-5, 13b2-2 and 13b2-1 thereunder, and for aiding and abetting Amazon's violations of Section 13(a) and 13(b)(2)(A) and (B) of the Exchange Act and Rules 12b-20, 12b-25, 13a-1 and 13a-13 thereunder.

6. Against Loricchio Jr., the Commission seeks a permanent injunction and civil penalties for violations of Section 17(a) of the Securities Act and Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, and for aiding and abetting Amazon's violations of Section 13(a) of the Exchange Act and Rules 12b-20, 12b-25, 13a-1 and 13a-13 thereunder.

II.

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 Section 27 of the Exchange Act [15 U.S.C. § 78aa]. In connection with the transactions, acts, practices, and courses of business described in this Complaint, each of the Defendants, directly and indirectly, has made use of the means or instrumentalities of interstate commerce, of the mails, and/or of the means and instruments of transportation or communication in interstate commerce.

8. Venue lies in this Court pursuant to Section 22(a) of the Securities Act and Section 27 of the Exchange Act because certain of the transactions, acts, practices and courses of business constituting the violations of law alleged herein occurred within this judicial district. In addition, Amazon has its principal place of business, and Sylver resides, in this judicial district.

III.

PENDING BANKRUPTCY ACTION

9. On July 20, 2000, Sylver petitioned for bankruptcy under Chapter 13 of the Bankruptcy Code. In re Michael A. Sylver and Ilana Sylver, Civ. No. 00-15363 (BC D Nev.). The Commission's Complaint against Sylver is exempt, however, from the automatic stay of litigation generally afforded petitioners in bankruptcy. Section 362(b)(4) of the Bankruptcy Code provides that the filing of a petition under Chapter 13 "does not operate as a stay ... of the commencement or continuation of an action or proceeding by a governmental unit." 11 U.S.C. § 362(b)(4).

IV.

THE DEFENDANTS

10. Amazon Natural Treasures, Inc. is a Nevada corporation that primarily sells dietary supplements derived from plants grown in the Amazon rain forest in Brazil. Its principal place of business is in Las Vegas, Nevada.

11. Michael A. Sylver, of Las Vegas, Nevada, is the president, chief executive officer, treasurer, and a director of Amazon. Sylver tightly controls Amazon, including its staff, officers and board of directors. According to Amazon's 1998 Form 10-KSB filed with the Commission on September 1, 1999 ("1998 Form 10-KSB"), Sylver and his family collectively owned approximately 37 percent of Amazon's preferred voting-only stock.

12. Domingos Loricchio Jr., was the vice president, secretary and a director of Amazon from March 28, 1996 until he resigned his positions on July 21, 2000. While employed at Amazon, he was in charge of Amazon's production and operations, including ordering raw materials from Brazil and filling customer's product orders. According to Amazon's 1998 Form 10-KSB, Loricchio Jr. and his family collectively owned approximately 30 percent of the preferred voting-only stock of Amazon. He is a citizen of Brazil who maintained a residence in Las Vegas, Nevada during his tenure at Amazon.

V.

SECURITIES LAW VIOLATIONS

A. False and Misleading Statements and Omissions

13. From at least 1997 through March 2000, Amazon made numerous materially false and misleading statements and omissions in public filings with the Commission, press releases, its Internet web site, and other corporate documents disseminated to the public.

1. Overstatement of Revenue for 1998

14. In the spring of 1999, during its financial audit for the year 1998, Sylver told Amazon's auditors that Amazon earned approximately \$580,900 in sales revenue for 1998. As proof of earnings, Sylver gave the auditors a sampling of invoices allegedly representing these sales. Amazon reported the total sales revenue claimed by Sylver in its Form 10-KSB and accompanying financial statements filed with the Commission on September 1, 1999.

15. At least \$266,600, or 68 percent, of the alleged total sales revenue, as reported in Amazon's 1998 Form 10-KSB, and most or all of the invoices were fictitious. Although Amazon did receive proceeds on or about the dates represented by Sylver, the proceeds were from stock sales (equity) rather than product sales (revenue). Customers listed on the fictitious invoices purchased stock from Amazon, not product.

2. Undisclosed Cash and Stock Compensation

16. Amazon's Form 10-KSBs for the years ended December 31, 1996 and 1997 ("1996 Form 10-KSB" and "1997 Form 10-KSB," respectively) falsely stated that Sylver did not earn any compensation, deferred or otherwise, for his services on behalf of Amazon. In addition, Amazon's 1998 Form 10-KSB falsely stated that, although Amazon had authorized the payment of compensation to Sylver in 1998, it had not paid Sylver and would not do so until it had positive cash flows.

17. Contrary to Amazon's representations, Sylver received a salary. Between November 1997 and September 1998, Sylver received approximately \$38,000 in checks, many of which were identified as payroll either on the face of the check or on the attached description. In addition, from 1997 through 1999, Sylver withdrew over \$425,000 in cash from Amazon's bank accounts. Upon information and belief, Sylver used these funds for personal purposes, rather than legitimate business purposes of Amazon.

18. In addition, Amazon's 1996, 1997 and 1998 Form 10-KSBs failed to disclose stock given to Sylver by Amazon. The three Form 10-KSBs gave only a partial listing of Sylver's stock

ownership and declared that Amazon had not granted Sylver any options or stock appreciation rights.

19. In fact, Amazon issued stock to an entity controlled by Sylver, named Titan Investments (“Titan”). In July 1995, Sylver and his parents, then the sole officers of a private predecessor entity to Amazon, authorized Amazon to issue Titan two million shares of Amazon common stock once Amazon went public. Later, from January 1997 through May 1998, Sylver caused Amazon to issue all or most of the two million shares to Titan. Sylver deposited about half of these shares into two brokerage accounts held in the name of Titan but secretly controlled by him. Sylver sold a portion of the 2 million shares into the open market; the rest Sylver sold -- often at very reduced prices -- to his family members, friends, and Amazon’s consultants. Sylver deposited the stock sale proceeds, approximately \$514,000, into a Titan bank account he also secretly controlled. Sylver personally withdrew \$316,000 written in checks out to cash. Upon information and belief, Sylver used these funds for personal purposes, rather than legitimate business purposes of Amazon.

3. Baseless and Unreasonable Financial Projections

20. Throughout its existence, Amazon has made grandiose claims of future sales revenues and profits that were false, misleading or lacked a reasonable basis.

21. For example, in its 1996 Form 10-KSB, Amazon stated that it “anticipate[d] achieving” \$1,490,788 in product sales for the calendar year ended December 1, 1997. In a press release dated November 21, 1997, Amazon stated that “estimated sales [for its sweetener] for the

first year alone [1998] will be over \$50 million” and that its “nutritional supplement division . . . projected first quarter sales (1998) of \$2.7 million from a direct mail campaign.” Similarly, in a press release dated December 2, 1997, Amazon projected that its revenue for 1998 would be \$75 million and earnings would be \$50 million, its revenue for 1999 would be \$125 million and earnings would be \$75 million, and that its revenue for 2000 would be \$250 million and earnings would be \$175 million.

22. Similarly, on numerous occasions Amazon made misleading announcements concerning future revenue from recent inventory gains. For example, in a February 2, 1998 press release, Amazon stated that its nutritional sweetener division is “now fully stocked . . . with over 100 tons . . . [and that] gross revenue for [Amazon] for this retail transaction will be approximately \$4,000,000.” In its Form 10-QSBs for September 30, 1998, March 31, 1999 and June 30, 1999, Amazon made the following and other similar statements: “It’s the company’s goal to solicit 1,000 stores by September 1998 [sic] . . . based on each store selling 100 bottles per month [of five specific supplements], the estimated gross revenue per year initially is estimated at \$18,000,000.”

23. Finally, beginning in 1998 through 2000, Amazon announced in press releases and on its Internet web site that it was entering into a “profitability phase.” For example, from at least June 1999 to March 2000, Amazon’s web site stated, “on Thursday, July 15, 1999, we entered into an exciting new phase – THE PHASE OF PROFITABILITY PHASE.”

24. Amazon never met the foregoing projections. In fact, Amazon's projected revenues dwarfed its prior sales revenues: sales revenues were only \$34,975 for 1996, \$44,849 for 1997, and \$392,061 for 1998 (which revenue was overstated by at least 68 percent, as discussed above).

25. Nor did Amazon have any reasonable basis to believe that it could meet the foregoing projections. Amazon's projections allegedly were based on the success of a marketing plan that consisted of advertisements and a rock concert in the Amazon rain forest. However, Amazon never implemented the marketing plan and never had the \$5 million it needed to implement the marketing plan. Further, Amazon could not even have satisfied the demand that theoretically would be generated by the marketing plan. Amazon lacked the market demand, raw supply and production capability to meet the projections.

26. Further, Amazon's statements announcing the receipt of inventory and future revenue misrepresented Amazon's inventory. In 1998 Amazon had approximately two tons of sweetener, not the 100 tons the company claimed. Further, Amazon had no more than 150 stores selling its product as of May 1999, seriously undermining Amazon's sales projections of \$18 million based on future sales at 1,000 stores.

27. Finally, contrary to Amazon's claims, Amazon never made a profit. Indeed, Amazon suffered net losses of \$7,715,709 in 1996, \$1,096,465 in 1997, and \$4,815,331 in 1998.

4. False and Misleading Product Claims

28. Since it became a publicly traded company, Amazon has made innumerable false and misleading statements regarding the “proven” beneficial and safe effects of its products in Commission filings, press releases, its Internet web site and other public documents.

29. In a January 28, 1997 press release, Amazon announced that one of its directors had “developed a cream protection against AIDS.” Amazon listed its “aids preventive cream” as a product for sale in four Form 10-QSBs, beginning in September 30, 1997 and ending September 30, 1998. Although the director allegedly started to develop an AIDS prevention cream, he stopped research and development before completion. Needless to say, Amazon never made its alleged product available for purchase, and there is no evidence that the common natural supplements purportedly comprising the alleged AIDS prevention cream have any effect on the AIDS virus.

30. Amazon also made repeated claims that its products treat and cure certain other diseases. Most notably, since at least June 1999 and continuing today, Amazon claims in its Internet web site that hydrastis (a/k/a goldenseal), an ingredient in a product called puama, “fights cancer of the breast, uterus, stomach, nose and larynx.” Amazon also currently claims in its web site that another product, pau d’arco, “has proved to inhibit the growth of ulcers and tumors” and is a “recommended product” for cancer. These claims, and others like them, are false. There is no evidence that hydrastis prevents cancer. Likewise, although the ingredients found in pau d’arco

may have “anticancer properties,” clinical research has demonstrated that the effective dosage would be toxic.

31. Finally, Amazon has made numerous claims that its research proves its products cause no side effects. For example, from at least June 1999 through 2000, Amazon’s Internet web site stated that “[d]ue to our research . . . we have proved that Phytogenic supplements which have absolutely no side effects whatsoever. . . . Our Phytogenic supplements . . . will never do any harm to any other organ of the body unlike allopathic medicines.” Despite these claims, Sylver never saw evidence of testing, and Amazon had no documents to establish such claims of testing. Amazon’s own Form 10-KSBs admit, in a buried disclaimer, that there is “no scientific evidence to establish that [its] products are safe or beneficial for human consumption.” In fact, many of Amazon’s products do have side effects, some serious. For example, three products offered by Amazon (ipe roxo a/k/a lapochal, pau d’arco and guarana), can cause several forms of cancer and are toxic in some dosages.

5. Scierter

32. Sylver acted with scierter. He either drafted or reviewed and approved all of the documents containing the four categories of false and misleading statements and omissions discussed above. He published or permitted others to publish the documents despite being warned by a former securities counsel, a former chief financial officer and several accountants and auditors that certain of the statements were false or misleading. Indeed, he knew that the revenue recorded by Amazon in its 1998 Form 10-KSB was false and he gave fictitious invoices to Amazon’s

auditors. He also knew that he was receiving undisclosed salary and stock. Finally, he also knew that the fantastic statements about Amazon's projected sales revenues and the benefits of its products were either false or lacked any reasonable basis.

33. Loricchio Jr. acted with scienter. He signed the 1997 and 1998 Form 10-KSBs, as well as all of the Form 10-QSBs discussed above. At a minimum, he acted recklessly by signing the filings without reviewing and correcting them. As the officer who managed Amazon's production and operations, including ordering raw materials from Brazil and filling customer's product orders, he knew or should have known that the 1998 sales revenues were overstated and that the projections were unreasonable or unrealistic. Likewise, as the officer in charge of product quality control and heavily involved in research, he knew or should have known that Amazon's product claims contained in its Commission filings were false and misleading. For example, he knew or should have known about Amazon's statements hawking the non-existent AIDS prevention cream contained in three of the Form 10-QSBs that he signed. As production manager, he knew or had reason to know that no such product existed.

B. Failure to Maintain Books and Records and Provide Adequate Internal Controls

34. Amazon does not maintain the books and records required under the federal securities laws. Amazon's books and records are so deficient that Amazon's independent auditors for the year ended December 31, 1998 disclaimed an opinion on its financials. In Amazon's 1998 Form 10-KSB, the auditors explained that they did not observe the physical inventory as stated in the financial statements. And, because inventory "enter[ed] significantly into the determination of

financial position, results of operations, and cash flows, and since the Company does not maintain certain customary accounting records or documents, or an adequate system of internal control . . . the scope of our work was not sufficient to enable us to express an opinion.” According to the auditors, Amazon’s books and records contained, at a minimum, the following inadequacies: missing invoices or documents evidencing revenue and cost of sales; no bank reconciliations; no separate perpetual inventory records; no backup for receivables; no support for prepaid expenses; no depreciation schedules for fixed assets; and missing subscription agreements and no documentation to support sales of stock for services.

35. The auditors also documented in their audit workpapers that Amazon lacked a functioning internal control system. The auditors specifically identified the following areas as lacking internal controls: cash; accounts receivable; inventory; property and equipment; accounts payable and accrued liabilities; payroll; notes payable; equity; expenses; and revenue and income.

C. Amazon’s Delinquent and Deficient Filings

36. Since its inception as a public company in 1996, Amazon has failed to file timely all three of its annual reports with the Commission and has still not filed its annual report for the year ended December 31, 1999. Moreover, as described above, the independent auditors for Amazon’s annual report for the year ended December 31, 1998 could not express an opinion on Amazon’s financial statements. Amazon also filed nine of its quarterly reports late [reports for the quarterly periods beginning March 31, 1996 and ending June 30, 1999] and has not yet filed its first three quarterly reports for the year 2000 [reports for the quarterly periods beginning March 31,

2000]. Finally, on February 10, 2000, Amazon filed a late Form 8-K disclosing that the “auditor/client relationship with [its auditors for the year ended December 31, 1998] had ceased.” Both the late and an amended Form 8-K failed to disclose information required in Item 304 of Regulation S-B, including the disagreements between Amazon and its former auditors, and the fact that the auditors had informed the company that it lacked adequate internal controls, among other things.

D. Amazon’s Sale of Unregistered Stock

37. From 1997 through at least 1999, Amazon sold approximately 6.3 million shares of its stock, raising approximately \$3.8 million dollars. Amazon never registered the stock with the Commission, despite not qualifying for any exemptions from registration. Amazon used three methods to sell its stock: (1) a private placement; (2) sales through a “finder;” and (3) sales by Sylver, several friends, and consultants.

1. Private Placement

38. According to its private placement offering memorandum, Amazon offered 5 million shares of restricted common stock for \$1.00 per share on a “best efforts” basis, beginning on November 1, 1997 and closing December 31, 1998. The offering memorandum stated that the stock was exempt from registration pursuant to Section 4(2) of the Securities Act and/or Rule 506 of Regulation D. Neither exemption, however, was available to Amazon. Amazon sold approximately 200,000 shares to Sylver’s friends and family, raising \$200,000.

2. “Finder” Sales

39. During 1997 and 1998, Amazon sold stock through two now-defunct entities acting as “finders.” The finders telephoned potential Amazon investors from investor lists; potential investors then contacted Amazon directly. At least 174 of the offerees contacted through the finders, many of whom were not accredited investors, purchased Amazon stock. Ultimately, Amazon sold 1,731,842 shares of its stock, for \$1,627,814, to investors located by the finders.

3. Sales By Sylver and Others

40. Finally, beginning in 1997 and continuing at least through 1999, Sylver and two or three of his friends and consultants sold Amazon stock to individuals, sometimes friends of friends. Some of the stock was purportedly “free-trading stock” that had been previously issued to Titan. In these cases, the investors wrote checks out to Titan, but the investors were not told that Sylver controlled Titan and that Titan was, in effect, Amazon. In addition, as discussed above, Sylver sold Amazon stock into the public market through the two brokerage accounts he held in the name of Titan. Sylver sold approximately 4 million shares of Amazon stock (approximately 2 million of which was nominally held in the name of Titan), raising approximately \$1.3 million (approximately \$516,000 from the Titan sales).

V.

FIRST CLAIM

(VIOLATIONS BY DEFENDANTS AMAZON, SYLVER AND LORICCIO JR. OF SECTION 17(A) OF THE SECURITIES ACT AND SECTION 10(b) OF THE EXCHANGE ACT AND RULE 10b-5 THEREUNDER)

41. Paragraphs 1 through 40 are hereby realleged and incorporated by reference.

42. Defendants directly and indirectly, with scienter, in the offer or sale and in connection with the purchase or sale of Amazon securities, by use of the means or instrumentalities of interstate commerce or by use of the mails, have employed devices, schemes, or artifices to defraud; have made untrue statements of material fact or omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; or have engaged in acts, practices, or courses of business which have been and are operating as a fraud or deceit upon the purchasers or sellers of such securities.

43. By reason of the foregoing, Defendants violated and unless restrained and enjoined will continue to violate Section 17(a) of the Securities Act and Section 10(b) of the Exchange Act and Rule 10b-5 thereunder.

SECOND CLAIM

(VIOLATIONS BY DEFENDANTS AMAZON AND SYLVER OF 13(b)(2)(A) AND (B) OF THE EXCHANGE ACT)

44. Paragraphs 1 through 40 are hereby realleged and incorporated by reference.

45. Amazon violated Sections 13(b)(2)(A) and (B) of the Exchange Act by failing to develop and maintain accounting records that accurately and fairly reflect its transactions and the dispositions of its assets.

46. Amazon also violated Section 13(b)(2)(B) by failing to devise and maintain a system of internal accounting controls sufficient to permit preparation of financial statements in conformity with generally accepted accounting principles.

47. Sylver aided and abetted Amazon's violations of 13(b)(2)(A) and (B). He knowingly and substantially assisted in Amazon's violations by causing or failing to correct the deficiencies in Amazon's accounting records and purposefully falsifying certain records, including invoices.

48. By reason of the foregoing, Amazon and Sylver violated and unless restrained and enjoined will continue to violate 13(b)(2)(A) and (B) of the Exchange Act.

THIRD CLAIM

(VIOLATIONS BY DEFENDANTS AMAZON, SYLVER AND LORICCIO JR. OF SECTION 13(a) OF THE EXCHANGE ACT AND RULES 12b-25, 13a-1 AND 13a-13 THEREUNDER)

49. Paragraphs 1 through 40 are hereby realleged and incorporated by reference.

50. Amazon violated Section 13(a) of the Exchange Act and Rules 13a-1 and 13a-13 thereunder by filing annual reports that contained materially false and misleading information and omissions. As set forth above, Amazon's material misrepresentations and omissions contained in its reports included statements about Amazon's revenue during 1998, salary and stock issued to

Sylver, revenue and earnings projections, and the “proven” safety and efficacy of Amazon’s products.

51. In addition, Amazon violated Section 13(a) of the Exchange Act and Rules 13a-1 and 13a-13 thereunder by failing to file timely its annual reports for the years 1996, 1997 and 1998, its nine quarterly reports listed above, and its Form 8-K disclosing the termination of its 1998 auditor-client relationship. Further, its annual report for 1998 did not contain an auditor’s opinion, in violation of Rule 2-02(b) of Regulation S-X [17 C.F.R. 210.2-02(b)]. Moreover, Amazon has not filed its annual report for 1999 and first three quarterly reports for 2000.

52. By failing to file timely reports and by filing reports containing materially false and misleading statements and omissions, Amazon violated Section 13(a) of the Exchange Act and Rules 12b-25, 13a-1 and 13a-13 thereunder.

53. Sylver knowingly and substantially assisted Amazon’s violations by drafting and/or reviewing and approving Amazon’s filings. Sylver thus aided and abetted Amazon’s violations of Section 13(a) of the Exchange Act and Rules 12b-25, 13a-1 and 13a-13 thereunder.

54. As an officer and director of the company with a duty to approve and sign Amazon’s filings, Loricchio Jr. also aided and abetted Amazon’s violations of Section 13(a) of the Exchange Act and Rules 12b-25, 13a-1 and 13a-13 thereunder.

55. By reason of the foregoing, Amazon violated, and Sylver and Loricchio aided and abetted violations of, and unless restrained and enjoined defendants will continue to violate and aid and abet, Section 13(a) of the Exchange Act and Rules 12b-25, 13a-1 and 13a-13 thereunder.

FOURTH CLAIM

**(VIOLATIONS BY DEFENDANTS AMAZON AND SYLVER
OF RULES 13b2-1 and 13b2-2 OF THE EXCHANGE ACT)**

56. Paragraphs 1 through 40 are hereby realleged and incorporated by reference.

57. Sylver violated Rule 13b2-1 of the Exchange Act by falsifying or causing to be falsified, any book, record or account subject to Section 13(b)(2)(A) of the Exchange Act. Sylver also violated Rule 13b2-2 by making false statements to an accountant in connection with an audit and the preparation of a filing with the Commission. Specifically, Sylver violated both rules by providing Amazon's 1998 auditors with fictitious invoices and other documents that overstated Amazon's revenue for the year ended December 31, 1998, and by orally confirming Amazon's non-existent sales. Unless restrained and enjoined, Sylver will continue to violate Rules 13b2-1 and 13b2-2.

58. Amazon is liable for Sylver's conduct with respect to falsifying Amazon's financial records. Amazon thus violated, and unless restrained and enjoined will continue to violate, Rule 13b2-1.

FIFTH CLAIM

**(VIOLATIONS BY DEFENDANTS AMAZON AND SYLVER
OF SECTIONS 5(a) AND 5(c) OF THE SECURITIES ACT)**

59. Paragraphs 1 through 40 are hereby realleged and incorporated by reference.

60. From at least 1997 through 1999, Amazon, directly and indirectly, made use of the means or instruments of transportation and communication in interstate commerce and of the mails

to offer to sell or offer to buy through the use or medium of any prospectus or otherwise Amazon securities, without a registration statement having been filed with the Commission as to such security in violation of Sections 5(a) and 5(c) of the Securities Act.

61. No registration statements have been filed with the Commission or are otherwise in effect with respect to the Amazon stock offered by Amazon and Sylver.

62. By reason of the foregoing, Amazon and Sylver have violated and unless restrained and enjoined will continue to violate Sections 5(a) and 5(c) of the Securities Act.

VI
PRAYER FOR RELIEF

WHEREFORE, the Commission respectfully requests that the Court:

A. AS TO AMAZON NATURAL TREASURES, INC.

1. Find that Defendant Amazon committed the violations alleged herein.
2. Enter an injunction, in a form consistent with Rule 65(d) of the Federal Rules of Civil Procedure restraining and enjoining Amazon and persons in active concert or participation with it, from violating, directly or indirectly, Sections 5(a), 5(c) and 17(a) of the Securities Act and Sections 10(b), 13(a), 13(b)(2)(A) and (B) of the Exchange Act and Rules 10b-5, 12b-20, 12b-25, 13a-1, 13a-13, and 13b2-1 thereunder.
3. Order such further relief, equitable and legal, as the Court may deem just and proper.

B. AS TO DEFENDANT MICHAEL A. SYLVER


1. Find that Defendant Sylver committed the violations alleged herein.
2. Enter an injunction, in a form consistent with Rule 65(d) of the Federal Rules of Civil Procedure restraining and enjoining Sylver and persons in active concert or participation with him from violating, directly or indirectly, Sections 5(a), 5(c) and 17(a) of the Securities Act and Sections 10(b), 13(a), 13(b)(2)(A) and 13(b)(2)(B) of the Exchange Act and Rules 10b-5, 12b-20, 12b-25, 13a-1, 13b2-1, and 13b2-2 thereunder.
3. Order Sylver to account for, but delay order enforcing disgorgement of, all ill-gotten gains, together with prejudgment and post-judgment interest as provided by law. The Commission will seek an order to enforce such disgorgement when and if such an order becomes appropriate upon the conclusion of Sylver's bankruptcy petition.
4. Determine, but delay order enforcing payment of, the proper amount of civil penalties pursuant to Section 20(d) of the Securities Act that Sylver shall pay. The Commission will seek an order to enforce such award when and if such an order becomes appropriate upon the conclusion of Sylver's bankruptcy petition.
5. Enter an order barring Sylver from serving as an officer or director of any publicly held company pursuant to Section 21(d)(2) of the Exchange Act and Section 20(e) of the Securities Act and pursuant to the Court's equitable power.
6. Order such further relief, equitable and legal, as the Court may deem just and proper.

C. AS TO DEFENDANT DOMINGOS LORICCHIO JR.

1. Find that Defendant Loricchio Jr. committed the violations alleged herein.
2. Enter an injunction, in a form consistent with Rule 65(d) of the Federal Rules of Civil Procedure restraining and enjoining Loricchio Jr. and persons in active concert or participation with him from violating, directly or indirectly, 17(a) of the Securities Act and Sections 10(b) and 13(a) of the Exchange Act and Rules 10b-5, 12b-25, 13a-1 and 13a-13 thereunder.
3. Order Loricchio Jr. to pay a civil penalty pursuant to Section 20(d) of the Securities Act in an amount to be determined by the Court.
4. Order such further relief, equitable and legal, as the Court may deem just and proper.

Dated: February 27, 2001

Respectfully submitted,


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Securities and Exchange Commission