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**UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY**

**SECURITIES AND EXCHANGE
COMMISSION,**

Plaintiff,

v.

**MICHAEL M. COHEN and
PROTEONOMIX, INC.,**

Defendants.

Case No.

COMPLAINT

Plaintiff Securities and Exchange Commission (the “Commission” or “SEC”) [100 F Street, N.E., Washington, DC 20549] for its Complaint against Defendants Proteonomix, Inc. [140 East Ridgewood Avenue, Suite 414, Paramus, NJ 07652] and Michael M. Cohen [7 Stanford Court, West Orange, NJ 07052] alleges as follows:

SUMMARY OF ALLEGATIONS

1. From approximately 2008 through 2012, Defendants Proteonomix, Inc. (“Proteonomix” or the “company”), a biotechnology company located in Paramus, New Jersey, and Michael M. Cohen, who during this period was the company’s Chief Executive Officer (“CEO”), Chairman of its board of directors, and at times its Chief Financial Officer (“CFO”), fraudulently issued and transferred millions of Proteonomix shares to corporate entities that were named after Cohen’s wife and children and nominally controlled by Cohen’s father-in-law (the “FIL Companies”). In fact, however, Cohen secretly controlled bank and brokerage accounts in the FIL Companies’ names.

2. Cohen directed the issuance and transfer of Proteonomix shares to the FIL Companies, and the subsequent sale of these shares into the open market, pocketing more than \$600,000 in proceeds for his own or his family’s benefit. Proteonomix and Cohen falsely recorded these share issuances and transfers on the company’s accounting books and records as repayments of loans that did not exist or as payments for consulting services that were not performed. Proteonomix and Cohen also failed to disclose in the company’s SEC filings that the transactions with the FIL Companies were related party transactions.

3. Cohen also directed the FIL Companies to transfer shares of Proteonomix stock without restrictive legends to pay debts that Proteonomix owed

to its creditors. These transactions were not registered with the Commission, and no exemption from the registration provisions applied.

4. In addition, Cohen falsely certified the accuracy of the reports and financial statements that Proteonomix filed with the Commission.

5. By engaging in this conduct, Defendants violated, either as primary violators or as an aider and abettor, the antifraud, securities registration, reporting, books and records, and internal controls provisions of the federal securities laws, including: Sections 5(a), 5(c), and 17(a) of the Securities Act of 1933 (the “Securities Act”) [15 U.S.C. §§ 77e(a), 77(e)(c), and 77q(a)]; Sections 10(b), 13(a), 13(b)(2)(A), 13(b)(2)(B), and 13(b)(5) of the Securities Exchange Act of 1934 (the “Exchange Act”) [15 U.S.C. §§ 78j(b), 78(m)(a), 78m(b)(2)(A), 78m(b)(2)(B), and 78m(b)(5)]; and Exchange Act Rules 10b-5, 12b-20, 13a-1, 13a-13, 13a-14, and 13b2-1 [17 C.F.R. §§ 240.10b-5, 240.12b-20, 240.13a-1, 240.13a-13, 240.13a-14, and 240.13b2-1].

6. Unless restrained and enjoined, Defendants will continue to violate these provisions and are likely to engage in future violations of the federal securities laws.

JURISDICTION AND VENUE

7. The Commission brings this action pursuant to the authority conferred by Section 20(b) of the Securities Act [15 U.S.C. § 77t(b)] and Section 21(d) of the Exchange Act [15 U.S.C. § 78u(d)].

8. 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(a) of the Exchange Act [15 U.S.C. § 78aa(a)]. Defendants, directly or indirectly, singly or in concert, have made use of the means or instrumentalities of transportation or communication in, or the instrumentalities of, interstate commerce, or of the mails, in connection with the transactions, acts, practices, and courses of business alleged herein.

9. Venue lies in this district pursuant to Section 22(a) of the Securities Act [15 U.S.C. § 77v(a)] and Section 27(a) of the Exchange Act [15 U.S.C. § 78aa(a)] because a substantial portion of the conduct alleged in this Complaint occurred within New Jersey.

DEFENDANTS

10. **Michael Moshe Cohen**, age 49, is a resident of West Orange, New Jersey. Since September 2006, Cohen has served as the President, CEO, and Chairman of Proteonomix's board of directors. In September 2010, he also took over the positions of CFO and Chief Operating Officer. In his capacity as Proteonomix's CEO and CFO, Cohen signed and certified the accuracy of the

company's SEC filings. Cohen previously worked in the securities industry and held Series 7 and Series 24 securities licenses.

11. **Proteonomix, Inc.** is a Delaware corporation located in Paramus, New Jersey (previously located in Mountainside, New Jersey). Its predecessor, Azurel, Ltd., was incorporated in 1995. In September 2006, Azurel acquired National Stem Cell, Inc. as a wholly-owned subsidiary through a reverse merger and Azurel changed its name to National Stem Cell Holding, Inc. In August 2008, National Stem Cell Holding, Inc. changed its name to Proteonomix, Inc. (For ease of reference, this Complaint refers to the company as "Proteonomix.") Beginning in the first quarter of 2007, the company's stock began to trade publicly on the OTC Pink Sheets market and, after April 2010, on the OTCBB under the symbol "NGHI" and subsequently under the symbol "PROT." On August 4, 2009, Proteonomix filed a Form 10 with the Commission to register a class of common stock pursuant to Section 12(g) of the Exchange Act and filed its first Form 10-Q quarterly report on September 11, 2009. According to its SEC filings, Proteonomix was a "biotechnology company engaged in the discovery and development of stem cell therapeutics and cosmeceuticals products," as well as the operator of a sperm bank. On November 13, 2012, the company filed a Form 15, terminating the registration of its common stock with the SEC.

RELATED PARTIES

12. **Nancyco of NY, Inc.** (“Nancyco”), **Joe & Sam of New York, Inc.** (“Joe & Sam”), **Mollyco of NY, Inc.** (“Mollyco”), and **JSMNM, Inc.** (“JSMNM”) (collectively, the FIL Companies) are New York corporations named after Cohen’s family members. Although Cohen’s father-in-law is listed in state filings as the president of these companies, Cohen exercised near-total control over bank and brokerage accounts in the names of these entities. Cohen and his wife were the sole signatories on Nancyco bank accounts.

13. Cohen’s father-in-law, age 80, is a resident of New York, New York.

FACTUAL ALLEGATIONS

I. Proteonomix’s Reporting Obligations

14. From August 2009 until November 2012, Proteonomix’s common stock was registered with the Commission pursuant to Section 12(g) of the Exchange Act [15 U.S.C. § 781(g)]. As an issuer of registered securities, Proteonomix was required to file with the Commission information necessary to keep the information in its registration reasonably current, and annual and quarterly reports in accordance with Section 13(a) of the Exchange Act [15 U.S.C. § 78m(a)], and Exchange Act Rules 13a-1 and 13a-13 [17 C.F.R. §§ 240.13a-1 and 240.13a-13].

15. Pursuant to Exchange Act Rule 12b-20 [17 C.F.R. § 240.12b-20], Proteonomix was required to include in these filings such information as necessary to make the required statements, in light of the circumstances under which they were made, not misleading.

16. Additionally, Exchange Act Regulation S-X [17 C.F.R. §§ 1-01 *et seq.*] required that the financial statements Proteonomix filed with the Commission in its annual and quarterly reports be presented in conformity with Generally Accepted Accounting Principles (“GAAP”).

II. Proteonomix Failed to Disclose Related Party Transactions with the FIL Companies

17. Both Commission regulations and GAAP require that a public company, such as Proteonomix, disclose material related party transactions. Item 404(a) of Regulation S-K requires a description of transactions exceeding \$120,000 in which the registrant is a party and in which a director, executive officer, or any member of their immediate family has a direct or indirect material interest. The instructions to Item 404 of Regulation S-K specifically state that the term “immediate family member” includes, among others, the father-in-law of any director or executive officer of the registrant. Regulation S-X, applicable to financial statements contained in an issuer’s annual or other reports filed with the Commission, requires the related party disclosures prescribed by GAAP.

18. Proteonomix entered into a consulting agreement with Nancyco, dated January 1, 2007, which provided that Nancyco would receive \$200,000 for evaluating Proteonomix's business plan, assessing marketing opportunities, and generating sales leads. Cohen signed the agreement on behalf of Proteonomix and his father-in-law signed on behalf of Nancyco.

19. Proteonomix entered into a consulting agreement with Joe & Sam, dated June 4, 2007, which provided that Joe & Sam would receive up to 3,367,900 shares of Proteonomix stock for negotiating Proteonomix's exit from a ten year office lease. Cohen signed the agreement on behalf of Proteonomix and his father-in-law signed on behalf of Joe & Sam.

20. On August 3, 2009, Proteonomix and Mollyco entered into a Reimbursement Agreement that was signed by Cohen on behalf of Proteonomix and by his father-in-law on behalf of Mollyco. The agreement stated that Mollyco had "from time to time transferred free-trading" shares of Proteonomix stock that it owned to "various consultants and creditors" of Proteonomix "with the knowledge of and upon the request of the management of [Proteonomix]." The agreement stated that Nancyco and Joe & Sam also had transferred shares to satisfy Proteonomix's obligations, that Mollyco had subsequently assumed the assets and liabilities of these Nancyco and Joe & Sam, and that Mollyco would receive either

two shares from Proteonomix for each free-trading share these entities had transferred, or a promissory note.

21. On December 17, 2010, Proteonomix and Mollyco entered into an agreement that was signed by Cohen on behalf of Proteonomix and by his father-in-law on behalf of Mollyco. The agreement stated that the value of the free-trading shares that Mollyco, Nancyco, and Joe & Sam had transferred to satisfy Proteonomix's debts was \$2 million. Under the agreement, Mollyco received a \$2 million convertible debenture that allowed it to convert the debt into shares of Proteonomix stock. On April 29, 2011, Mollyco assigned the remaining balance of the debt to JSMNM through a document signed by Cohen's father-in-law.

22. Proteonomix's registration statements and periodic reports filed with the SEC from August 2009 through September 2012, which were signed and certified by Cohen as the company's CEO or CFO, disclosed the consulting agreements and transactions with Nancyco, Joe & Sam, and Mollyco, but did not identify them as related party transactions as required by Commission regulations and GAAP.

III. Cohen and Proteonomix Fraudulently Issued and Transferred Stock in Unregistered Transactions to the FIL Companies that was Sold for Cohen's Benefit and Used to Pay Proteonomix's Creditors

A. Cohen's and Proteonomix's Share Transfers to the FIL Companies

23. Between May 2008 and December 2011, Cohen and Proteonomix, acting at Cohen's direction, transferred approximately 3.28 million shares of the company's stock to the FIL Companies.

24. On May 1, 2008, Cohen transferred 20,000 shares of Proteonomix stock to Nancyco and 20,000 shares of Proteonomix stock to Joe & Sam.¹ These shares were transferred without any restrictive legend on the stock certificates. Cohen purportedly transferred the shares to repay a \$200,000 loan that Joe & Sam had made to him in 2006. In fact, there was no such loan.

25. On May 9, 2008, Cohen transferred 132,200 shares of Proteonomix stock to Joe & Sam, and on September 26, 2008 he transferred another 450,000 shares of Proteonomix stock to Joe & Sam. These shares were transferred without any restrictive legend on the stock certificates. Cohen purportedly transferred these shares to repay a \$400,000 loan that Joe & Sam had made to Cohen on July 18, 2005. In fact, there was no such loan. Furthermore, Cohen had purportedly received the 450,000 shares from Proteonomix on June 1, 2007 as repayment of \$690,000 he had loaned the company. In fact, Cohen had not loaned this money to the company.

¹ On May 1, 2008, Cohen actually transferred 200,000 shares each to Nancyco and Joe & Sam. However, on August 21, 2008, Proteonomix did a 10:1 reverse stock split. Thus, these 400,000 shares converted into 40,000 shares of Proteonomix at that time. For consistency and ease of reference, this Complaint uses post-split share figures.

26. On August 5, 2009, Proteonomix issued 396,000 restricted shares of company stock to Mollyco. Proteonomix issued these shares to replace shares that the FIL Companies had transferred, at Cohen's request and direction, to repay Proteonomix's creditors.

27. On August 14, 2009, Proteonomix issued 200,000 shares of Proteonomix stock to Nancyco. These shares were issued to Nancyco without any restrictive legend on the stock certificates. The shares purportedly were issued to pay Nancyco for its services under the January 1, 2007 consulting agreement. However, neither Cohen nor Proteonomix have any documentation showing that Nancyco performed these services. Furthermore, while the contract called for Nancyco to be paid \$200,000, Proteonomix instead issued 200,000 shares of stock to Nancyco. The closing price of Proteonomix's stock on August 14, 2009 was \$3.00 per share, making the transferred shares worth \$600,000, rather than the \$200,000 due under the contract.

28. On October 9, 2009, Proteonomix issued 236,790 shares to Joe & Sam and 100,000 shares to the JSM Trust, which Cohen's father-in-law had established for the benefit of Cohen's children. These shares were issued without any restrictive legends on the stock certificates. The shares purportedly were issued to pay for services provided under the June 4, 2007 consulting agreement between Proteonomix and Joe & Sam. However, neither Cohen nor Proteonomix have any

documentation showing that Joe & Sam performed these services. The closing price of Proteonomix's stock on October 9, 2009 was \$1.75 per share, making the shares worth over \$575,000.

29. Also, as described above, on December 17, 2010, Proteonomix and Mollyco entered into a \$2 million convertible debenture agreement, which allowed Mollyco to convert the debt into shares of Proteonomix stock. Mollyco assigned its rights under this agreement to JSMNM in April 2011. Mollyco and JSMNM converted the debt into approximately 1.7 million free-trading shares of Proteonomix stock. As described below, almost all of these shares were then sold for Cohen's benefit or transferred at his direction to pay Proteonomix's creditors.

B. At Cohen's Direction, the FIL Companies Sold Proteonomix Shares for Cohen's Benefit

30. On May 11, 2009, Mollyco opened a brokerage account (the "Mollyco Account") and began depositing Proteonomix shares. The account opening documents were signed by Cohen's father-in-law, who opened the account at Cohen's direction.

31. Cohen used a mollycoincofny@gmail.com e-mail address that he created and controlled to send the instructions to transfer Proteonomix shares to the Mollyco Account. Although the text of the e-mails included the electronic signature of Cohen's father-in-law, Cohen actually wrote and sent them.

32. From June 2009 through May 2011, the Mollyco Account sold almost 400,000 shares of Proteonomix in the open market, generating proceeds of more than \$560,000. Cohen, not his father-in-law, placed the online orders to sell these shares. There was almost no other trading activity in this account besides the sales of Proteonomix shares.

33. Between October 8, 2009 and May 9, 2011, at Cohen's direction, his father-in-law signed checks and authorized wires transferring more than \$405,000 from the Mollyco Account to Cohen and to the Nancyco bank account controlled by Cohen and his wife.

34. In November 2010, Cohen directed his father-in-law to open a brokerage account in the name of JSMNM at a second broker-dealer ("JSMNM Account #1"). The only transactions in this account were sales of Proteonomix shares. At Cohen's request, one of his associates completed the account opening documents and exercised trading authority over the account until mid-2011, when another associate of Cohen's took over trading authority.

35. In May 2011, Cohen's associate assisted Cohen's father-in-law with depositing 300,000 Proteonomix shares into JSMNM Account #1. After the shares were deposited, Cohen directed his associates when to sell shares out of the account and what to do with the proceeds. Cohen's associates then placed online

orders to sell the shares, and sent e-mails to the broker-dealer directing that proceeds from the sales be transferred to a JSMNM bank account.

36. In October 2011, Cohen's father-in-law opened a second brokerage account in the name of JSMNM at a third broker-dealer ("JSMNM Account #2").

37. From May 2011 through January 2012, Cohen directed his associates and his father-in-law to sell a total of 500,000 Proteonomix shares out of the two JSMNM brokerage accounts, for total proceeds of \$421,897.66. At Cohen's direction, his associates and father-in-law then transferred a total of \$407,000 of these proceeds to the JSMNM bank account. During this period, at Cohen's direction, his father-in-law signed checks totaling \$167,000 out of the JSMNM bank account to Cohen personally and to the Nancyco bank account controlled by Cohen and his wife. Cohen's father-in-law also used the Proteonomix sale proceeds to pay over \$20,000 in tuition for Cohen's children and over \$14,000 to a travel agency for Cohen's family's vacation. Some of the other proceeds were used to pay Proteonomix's creditors.

38. Altogether, approximately \$600,000 in proceeds from the FIL Companies' sale of Proteonomix stock was transferred to Cohen or spent for his direct benefit during the period from October 2009 through April 2012.

39. Some of the sales of Proteonomix shares out of the FIL Companies' brokerage accounts coincided with periods when stock promoters hired by

Proteonomix were aggressively touting the company. In December 2011 and January 2012, when the company was being touted by a paid promoter, the JSMNM brokerage accounts sold 200,000 shares for proceeds of more than \$260,000.

40. Proteonomix's SEC filings, which were signed and certified by Cohen, did not disclose his control over these transactions, nor did they disclose that Cohen directed approximately \$600,000 from the sale of Proteonomix shares by the FIL Companies to be transferred to him or for his benefit. In fact, Proteonomix's SEC filings repeatedly stated that Cohen was not receiving any salary or compensation from the company other than grants of restricted shares.

C. At Cohen's Direction, the FIL Companies Transferred Shares to Pay Proteonomix's Creditors

41. Beginning in at least May 2008, at Cohen's direction, the FIL Companies transferred approximately 1.7 million unrestricted Proteonomix shares they held to pay Proteonomix's debts to various parties, including stock promoters. Cohen negotiated the agreements with these creditors, and then asked his father-in-law to sign the necessary paperwork authorizing the share transfers. Cohen's father-in-law had no contact with these creditors, and the FIL Companies had no independent obligation to pay them.

42. On multiple occasions during the relevant period, Cohen sent instructions to Proteonomix's transfer agent from the mollycoincofny@gmail.com

e-mail account directing the transfer of shares from Mollyco to Proteonomix's creditors. Although the text of the e-mails included the electronic signature of Cohen's father-in-law, the e-mails actually were written and sent by Cohen, who controlled this e-mail account.

43. In addition to transferring Proteonomix shares, from May 2011 through February 2012, Cohen directed the FIL Companies to transfer \$120,000 of the proceeds from selling Proteonomix shares in the JSMNM brokerage accounts to various Proteonomix creditors.

D. These Share Issuances and Transfers were Not Registered with the Commission, and No Exemption Applied

44. To issue or transfer Proteonomix stock in compliance with the federal securities laws, Proteonomix, Cohen, and the FIL Companies had to either register an offering of the company's shares or meet an exemption to the offering registration requirement. They did neither.

45. First, no registration statement had been filed or was in effect with the Commission in connection with the securities that Proteonomix and Cohen issued or transferred to the FIL Companies or that the FIL Companies transferred to Proteonomix's creditors at Cohen's direction. Second, these issuances and transfers did not comply with the registration exemptions identified in opinion letters authored by Proteonomix's in-house counsel.

46. As described above, in 2008 Cohen transferred Proteonomix shares to the FIL Companies to repay delinquent loans that the FIL Companies purportedly had made to Cohen. In fact, there were no such loans. Because these loans did not exist, the transfer of unrestricted Proteonomix shares to repay them was improper.

47. In 2009, Proteonomix issued shares to Nancyco and Joe & Sam as payment for purported consulting services. Because Nancyco and Joe & Sam did not actually perform these services, the issuance of unrestricted shares to pay for them was improper. Moreover, the value of the shares issued was significantly more than the amount due under the contract.

48. From 2008 through 2011, Cohen directed the FIL Companies to transfer free-trading shares to satisfy debts that Proteonomix owed to its creditors. Because the transfers were made at Cohen's direction to satisfy Proteonomix's debts, and because the FIL Companies had no independent contract with, or obligation to, these creditors, the transfers did not fit within a registration exemption and the transferred shares should have been restricted.

IV. Cohen Falsely Certified that Proteonomix's Reports were Accurate

49. Exchange Act Rule 13a-14 [17 C.F.R. § 240.13a-14] required Cohen, while serving as Proteonomix's CEO and CFO, to certify in writing the accuracy of the reports and financial statements that Proteonomix filed with the Commission.

50. Cohen certified in writing that the information contained in Proteonomix's Form 10-Ks and quarterly reports "d[id] not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading." Cohen signed these Rule 13a-14 certifications despite knowing that the filings (a) did not disclose the related party transactions with the FIL Companies, (b) did not disclose the fact that Cohen was receiving hundreds of thousands of dollars from the proceeds of the FIL Companies' sales of Proteonomix shares that he directed, and (c) falsely stated that Cohen had loaned the company hundreds of thousands of dollars, when in fact these funds primarily came from the FIL Companies and a Proteonomix director.

V. Proteonomix and Cohen Failed to Ensure the Accuracy of Proteonomix's Books and Records and to Ensure the Sufficiency of its Internal Controls

51. As Proteonomix's CEO and, after September 2010, the company's CFO, Cohen was responsible for creating and maintaining Proteonomix's books and records. Proteonomix's books and records did not accurately and fairly reflect the company's accounting and finances because those books and records (a) did not accurately reflect the related party nature of the transactions with the FIL Companies, (b) did not accurately reflect that Cohen was receiving hundreds of thousands of dollars from the proceeds of the FIL Companies' sales of

Proteonomix shares that he directed, and (c) falsely stated that Cohen had loaned the company hundreds of thousands of dollars, when in fact these funds primarily came from the FIL Companies and a Proteonomix director.

52. Cohen's Rule 13a-14 certifications stated that he was responsible for Proteonomix's internal controls over financial reporting during the relevant period. However, Cohen and Proteonomix failed to devise and implement adequate internal controls to prevent the material misstatements and omissions in the company's SEC filings identified above.

FIRST CLAIM FOR RELIEF
Violations of Section 17(a) of the Securities Act
(As to Defendants Proteonomix and Cohen)

53. Paragraphs 1 through 52 are realleged and incorporated by reference as if fully set forth herein.

54. Defendants directly and indirectly, singly and in concert, by the use of the means and instruments of transportation or communication in interstate commerce or by the use of the mails, and in connection with the offer or sale of securities, have: (a) with scienter, employed devices, schemes or artifices to defraud; (b) obtained money or property by means of one or more untrue statements of material fact or omissions of material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; or (c) engaged in one or more transactions, acts, practices or

courses of business which operated or would operate as a fraud or deceit upon purchasers.

55. By engaging in the conduct described above, Defendants have violated, are violating, and unless restrained and enjoined will continue to violate Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)].

SECOND CLAIM FOR RELIEF
Violations of Section 10(b) of the Exchange Act and Rule 10b-5
(As to Defendants Proteonomix and Cohen)

56. Paragraphs 1 through 52 are realleged and incorporated by reference as if fully set forth herein.

57. Defendants directly and indirectly, singly and in concert, by the use of any means or instrumentality of interstate commerce, or of the mails, or of the facilities of a national securities exchange, and in connection with the purchase or sale of securities, have, with scienter: (a) employed devices, schemes or artifices to defraud; (b) made one or more untrue statements of material fact or one or more omissions of material fact necessary to make the statements made, in light of the circumstances under which they were made, not misleading; or (c) engaged in one or more acts, practices or courses of business which operated or would operate as a fraud or deceit upon any person.

58. By engaging in the conduct described above, Defendants have violated, are violating, and unless restrained and enjoined will continue to violate

Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5].

THIRD CLAIM FOR RELIEF
Violations of Sections 5(a) and 5(c) of the Securities Act
(As to Defendants Proteonomix and Cohen)

59. Paragraphs 1 through 52 are realleged and incorporated by reference as if fully set forth herein.

60. Defendants directly or indirectly have made use of the means or instruments of transportation or communication in interstate commerce, or of the mails, to offer to sell or to sell securities, or to carry or cause such securities to be carried through the mails or in interstate commerce for the purpose of sale or for delivery after sale.

61. No registration statement was filed or in effect with respect to any of the offerings or sales alleged herein, nor did any exemption from the registration requirements exist with respect to the securities and transactions described herein.

62. By engaging in the conduct described above, Defendants have violated, are violating, and unless restrained and enjoined will continue to violate Sections 5(a) and 5(c) of the Securities Act [15 U.S.C. § 77e(a) and 77e(c)].

FOURTH CLAIM FOR RELIEF
Violations of Section 13(a) and Rules 12b-20, 13a-1, and 13a-13 of the
Exchange Act and Aiding and Abetting
(As to Defendants Proteonomix and Cohen)

63. Paragraphs 1 through 52 are realleged and incorporated by reference as if fully set forth herein.

64. Section 13(a) of the Exchange Act [15 U.S.C. § 78m(a)] and Rules 12b-20, 13a-1, and 13a-13 thereunder [17 C.F.R. §§ 240.12b-20, 240.13a-1, and 240.13a-13] require issuers of securities registered with the Commission pursuant to Section 12 of the Exchange Act to file with the Commission factually accurate annual and quarterly reports.

65. By filing with the Commission materially false and misleading periodic reports, Proteonomix violated, and unless restrained and enjoined will continue to violate, Section 13(a) of the Exchange Act [15 U.S.C. § 78m(a)] and Rules 12b-20, 13a-1, and 13a-13 thereunder [17 C.F.R. §§ 240.12b-20, 240.13a-1, and 240.13a-13].

66. Cohen knowingly or recklessly provided substantial assistance to Proteonomix in the commission of these violations. By reason of the foregoing, Cohen aided and abetted, and unless restrained and enjoined will continue to aid and abet, Proteonomix's violations of Section 13(a) of the Exchange Act [15 U.S.C. § 78m(a)] and Rules 12b-20, 13a-1, and 13a-13 thereunder [17 C.F.R. §§ 240.12b-20, 240.13a-1, and 240.13a-13].

FIFTH CLAIM FOR RELIEF
Violations of Section 13(b)(2)(A) of the Exchange Act and Aiding and Abetting
(As to Defendants Proteonomix and Cohen)

67. Paragraphs 1 through 52 are realleged and incorporated by reference as if fully set forth herein.

68. By failing to make or keep books, records, and accounts, which in reasonable detail accurately and fairly reflected its transactions, Proteonomix violated, and unless restrained and enjoined will continue to violate, Section 13(b)(2)(A) of the Exchange Act [15 U.S.C. § 78m(b)(2)(A)].

69. Cohen knowingly or recklessly provided substantial assistance to Proteonomix in the commission of these violations. By reason of the foregoing, Cohen aided and abetted, and unless restrained and enjoined will continue to aid and abet, Proteonomix's violations of Section 13(b)(2)(A) of the Exchange Act [15 U.S.C. § 78m(b)(2)(A)].

SIXTH CLAIM FOR RELIEF

**Violations of Section 13(b)(2)(B) of the Exchange Act and Aiding and Abetting
(As to Defendants Proteonomix and Cohen)**

70. Paragraphs 1 through 52 are realleged and incorporated by reference as if fully set forth herein.

71. By failing to devise and maintain a system of internal accounting controls sufficient to provide reasonable assurances that transactions were recorded as necessary to permit preparation of financial statements in conformity with GAAP and to maintain the accountability of assets, Proteonomix violated, and

unless restrained and enjoined will continue to violate, Section 13(b)(2)(B) of the Exchange Act [15 U.S.C. § 78m(b)(2)(B)].

72. Cohen knowingly or recklessly provided substantial assistance to Proteonomix in the commission of these violations. By reason of the foregoing, Cohen aided and abetted, and unless restrained and enjoined will continue to aid and abet, Proteonomix's violations of Section 13(b)(2)(B) of the Exchange Act [15 U.S.C. § 78m(b)(2)(B)].

SEVENTH CLAIM FOR RELIEF
Violations of Section 13(b)(5) and Rule 13b2-1 of the Exchange Act
(As to Defendant Cohen)

73. Paragraphs 1 through 52 are realleged and incorporated by reference as if fully set forth herein.

74. Section 13(b)(5) of the Exchange Act [15 U.S.C. § 78m(b)(5)] prohibits any person from knowingly circumventing or failing to implement a system of internal accounting controls or knowingly falsifying any accounting book, record, or account required by Section 13(b)(2)(A) of the Exchange Act [15 U.S.C. § 78m(b)(2)(A)].

75. Rule 13b2-1 of the Exchange Act [17 C.F.R. § 240.13b2-1] prohibits any person from directly or indirectly falsifying or causing the falsification of any such accounting books, records, or accounts.

76. By reason of the foregoing, Cohen violated, directly and indirectly, and, unless restrained and enjoined will continue to violate, Section 13(b)(5) of the Exchange Act [15 U.S.C. § 78m(b)(5)] and Rule 13b2-1 [17 C.F.R. § 240.13b2-1].

EIGHTH CLAIM FOR RELIEF
Violations of Rule 13a-14 of the Exchange Act
(As to Defendant Cohen)

77. Paragraphs 1 through 52 are realleged and incorporated by reference as if fully set forth herein.

78. Cohen violated Rule 13a-14 by signing the certifications included with Proteonomix's periodic filings. Cohen certified, among other things, that the forms fully complied with the requirements of the Exchange Act and fairly presented, in all material respects, the financial condition and results of operations of the company, when in fact the reports contained untrue statements of material fact and omitted material information necessary to make the reports not misleading.

79. By reason of the foregoing, Cohen violated, and unless restrained and enjoined will continue to violate, Rule 13a-14 [17 C.F.R. § 240.13a-14].

PRAYER FOR RELIEF

WHEREFORE, the Commission respectfully requests that the Court grant the following relief:

I.

Enter a Final Judgment finding that Defendants each violated the securities laws and rules promulgated thereunder as alleged in this Complaint.

II.

Pursuant to Rule 65(d) of the Federal Rules of Civil Procedure, permanently enjoin Defendants and their agents, servants, employees, representatives, and attorneys, and all persons in active concert or participation with them, and each of them, from directly or indirectly violating each of the securities laws and rules they are accused of violating in this Complaint.

III.

Issue an Order requiring Defendants to disgorge all ill-gotten gains, including prejudgment interest, resulting from the violations alleged in this Complaint.

IV.

Issue an Order directing 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) of the Exchange Act [15 U.S.C. § 78u(d)].

V.

Issue an Order pursuant to Section 20(e) of the Securities Act [15 U.S.C. § 77t(e)] and Section 21(d)(2) of the Exchange Act [15 U.S.C. §78u(d)(2)] barring Cohen from serving as an officer or director of a public company.

VI.

Issue an Order pursuant to Section 20(g) of the Securities Act [15 U.S.C. § 77t(g)] and Section 21(d)(6) of the Exchange Act [15 U.S.C. §78u(d)(6)] barring Cohen from participating in an 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.

VII.

Grant such other and further relief as this Court deems just and proper.

DEMAND FOR JURY TRIAL

A jury trial is demanded on all issues so triable.

Dated: February 19, 2015

Of Counsel:

Antonia Chion
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Local Counsel:

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Respectfully submitted,

s/ Timothy K. Halloran
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Counsel for Plaintiff

LOCAL CIVIL RULE 11.2 CERTIFICATION

Pursuant to Local Civil Rule 11.2, I certify that, except as set forth below, the matter in controversy alleged in the foregoing Complaint is not the subject of any other action pending in any court, or of any pending arbitration or administrative proceeding:

United States v. Michael M. Cohen, Case No. _____ (D.N.J.)

In re Michael Moshe Cohen, Case No. 14-23412-NLW (Bankr. D.N.J.)

s/ Timothy K. Halloran
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Counsel for Plaintiff

LOCAL CIVIL RULE 101.1 DESIGNATION OF AGENT FOR SERVICE

Pursuant to Local Civil Rule 101.1(f), because the Securities and Exchange Commission (the “Commission”) does not have an office in this district, the United States Attorney for the District of New Jersey is hereby designated as eligible as an alternative to the Commission to receive service of all notices or papers in the above-captioned action. Therefore, service upon the United States or its authorized designee – Paul Blaine, Chief, Civil Division, United States Attorney’s Office for the District of New Jersey, 970 Broad Street, 7th Floor, Newark, NJ 07102 – shall constitute service upon the Commission for purposes of this action.

s/ Timothy K. Halloran
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