

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

CASE NO.
07-81165-CIV-MIDDLEBROOKS/JOHNSON

SECURITIES AND EXCHANGE COMMISSION,)
)
Plaintiff,)
)
v.)
)
WILLIAM L. HAYNES,)
EFRIM GJONBALAJ, and)
REAL ASSET MANAGEMENT LLC,)
)
Defendants.)
_____)

FILED by JC D.C.
ELECTRONIC
DEC. 7, 2007
CLARENCE MADDOX
CLERK U.S. DIST. CT.
S.D. OF FLA. - MIAMI

COMPLAINT

Plaintiff Securities and Exchange Commission alleges as follows:

I. INTRODUCTION

1. This matter concerns a fraudulent scheme by Defendants William L. Haynes, Efrim Gjonbalaj, and Real Asset Management LLC to manipulate the market for Environmental Service Professional, Inc. stock in violation of the federal securities laws.

2. In March 2007, the Defendants participated in a scheme in which they agreed to pay an illegal kickback to a purported West Palm Beach, Florida-based hedge fund advisor to induce the hedge fund to purchase shares of Environmental Service stock. Unbeknownst to the Defendants, the person posing as the corrupt hedge fund investment advisor was actually an undercover FBI agent.

3. Haynes is a stock promoter who was trying to solicit interest in purchasing Environmental Service stock. Haynes and his business associate, Gjonbalaj, orchestrated a plan by which they arranged for Real Asset Management to pay the agent posing as the investment

adviser 35% of the proceeds from the hedge fund's purchase of Environmental Service shares as a kickback. The deal was culminated on March 14, 2007.

4. By virtue of their conduct, the Defendants violated Section 17(a) of the Securities Act of 1933 ("Securities Act"), 15 U.S.C. § 77q(a); and Section 10(b) and Rule 10b-5 of the Securities Exchange Act of 1934 ("Exchange Act"), 15 U.S.C. § 78j(b) and 17 C.F.R. §240.10b-5.

5. The Commission requests the Court to enter (1) a permanent injunction restraining and enjoining the Defendants from violating the federal securities laws, (2) an order directing Haynes to disgorge all profits or proceeds he received as a result of the acts and/or courses of conduct complained of, with prejudgment interest, (3) an order directing the Defendants to pay civil money penalties, and (4) an order barring Haynes and Gjonbalaj from participating in any offering of penny stock.

II. DEFENDANTS AND RELEVANT ENTITY

A. Defendants

6. Haynes, 42, resides in Palm City, Florida. From October 1988 to August 1997, Haynes was associated with various broker-dealers and maintained Series 7, 24, and 63 licenses. On October 1, 2001, a Final Judgment of Permanent Injunction and Other Relief was entered against Haynes in a civil action filed by the Commission for his violation of Sections 5(a), 5(c), and 17(a) of the Securities Act and Section 10(b) and Rule 10b-5 of the Exchange Act, in connection with a \$7 million offering fraud. That judgment enjoined Haynes from further violations of the antifraud and registration provisions of the federal securities laws and barred him from associating with a broker-dealer.

7. Gjonbalaj, 35, resides in Boynton Beach, Florida. He worked for several securities firms between 1996 and 2000 but was not licensed because he failed the Series 7 exam.

8. Real Asset Management is a limited liability company based in Palm City, Florida. The company is owned by Haynes and his brother, Kirk Haynes of Tampa, Florida. Real Asset Management is not registered with the Commission.

B. Relevant Entity

9. Environmental Service is a publicly traded Nevada corporation based in Palm Springs, California, and is quoted on the Pink Sheets (symbol "EVSP"). The company specializes in environmental inspections in the home. Environmental Service's stock is penny stock. Section 3(a)(51) and Rule 3a51-1 of the Exchange Act define a penny stock as any equity security, other than those securities that are specifically excluded in Rules 3a51-1(a)-(g). The Environmental Service stock does not qualify for any of the exclusions, and at all times relevant to this Complaint was priced at less than \$5. In addition, it did not have net tangible assets or average revenues in excess of \$2,000,000 to qualify for the exclusion in Rule 3a51-1(g).

III. JURISDICTION AND VENUE

10. The Court has jurisdiction over this action pursuant to Sections 20(d) and 22(a) of the Securities Act, 15 U.S.C. §§ 77t(d) and 77v(a); and Sections 21(d) and 27 of the Exchange Act, 15 U.S.C. §§ 78u(d) and 78aa.

11. This Court has personal jurisdiction over the Defendants, and venue is proper in the Southern District of Florida, because many of the Defendants' acts and transactions constituting violations of the Securities Act and the Exchange Act occurred in the Southern District of Florida. For example, the agent was located in West Palm Beach, Florida, and Real

Asset Management, which wired the kickback to the agent, is located in Palm City, Florida. Additionally, Haynes and Gjonbalaj reside in Palm City, Florida, and Boynton Beach, Florida, respectively.

12. In connection with the conduct alleged in this Complaint, the Defendants, directly or indirectly, singly or in concert with others, have made use of the means or instrumentalities of interstate commerce, the means or instruments of transportation and communication in interstate commerce, and the mails.

IV. THE FRAUDULENT SCHEME

13. Haynes is a stock promoter and Gjonbalaj is his business associate. Haynes heard the agent was a hedge fund advisor willing to engage in a kickback scheme and then called the agent in early March 2007. Haynes said he wanted to sell some of the 1,000,000 shares of Environmental Service stock he owned and agreed to pay the agent 35% of the price the agent's hedge fund paid as a kickback to induce the purchase of these shares. On March 8, 2007, Haynes discussed the kickback scheme with Gjonbalaj.

14. On March 9, 2007, Haynes told the agent he knew a trader or market maker who would assist in the stock purchase and kickback transactions. Haynes then made an arrangement with the agent for Gjonbalaj to receive 2.5% of the purchase price for his assistance in setting up the deal.

15. The agent informed Haynes and Gjonbalaj he owed a fiduciary duty to the hedge fund and therefore the kickback could not be disclosed. Haynes then agreed to create a phony consulting agreement to conceal the kickback.

16. Haynes prepared the bogus consulting agreement between Real Asset Management and a fictitious consulting company created by the agent. The agreement is purportedly signed by Kirk Haynes on behalf of Real Asset Management.

17. On March 12, 2007, the agent used an E-Trade account to purchase 12,000 shares of Environmental Service shares for \$1.00 per share, purportedly on behalf of the hedge fund. After the purchase was made, the agent confirmed with Haynes by telephone that the hedge fund had purchased shares belonging to Haynes. The agent then purchased another 9,300 shares at the same price, for a total of 21,300 shares at \$1.00 a share.

18. These trades were publicly reported. The average daily trading volume for Environmental Service shares in the prior ten trading days was approximately 34,000 shares, and the hedge fund's purchase constituted 40% of the trading volume on December 12, 2007.

19. On March 14, 2007, Real Asset Management wired \$7,600 (approximately 35% of 21,300 shares at \$1.00 per share) to the account given for the agent's phony consulting company. The agent, in turn, delivered a check for \$532.68 to Gjonbalaj (approximately 2.5% of 21,300 shares at \$1.00 per share). On March 28, 2007, Gjonbalaj, who apparently had grown suspicious, returned the payment to the agent with a letter claiming he had received it by mistake and did not remember participating in any business transactions with the agent.

COUNT I

Fraud In Violation of Section 17(a)(1) of the Securities Act

20. The Commission repeats and realleges paragraphs 1 through 19 of its Complaint.

21. In March 2007, the Defendants directly and indirectly, by use of the, means or instruments of transportation or communication in interstate commerce and by use of the mails,

in the offer or sale of securities, as described in this Complaint, have been knowingly, willfully or recklessly employed devices, schemes or artifices to defraud.

22. By reason of the foregoing, the Defendants, directly and indirectly, have violated and, unless enjoined, will continue to violate Section 17(a)(1) of the Securities Act, 15 U.S.C. §77q(a).

COUNT II

Fraud in Violation of Section 10(b) and Rule 10b-5 of the Exchange Act

23. The Commission repeats and realleges paragraphs 1 through 19 of its Complaint.

24. In March 2007, the Defendants, directly and indirectly, by use of the means and instrumentality of interstate commerce, and of the mails in connection with the purchase or sale of securities, knowingly, willfully or recklessly: (a) employed devices, schemes or artifices to defraud; (b) made untrue statements of material facts and omitting to state material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; or (c) engaged in acts, practices and courses of business which have operated, are now operating and will operate as a fraud upon the purchasers of such securities.

25. By reason of the foregoing, the Defendants have directly or indirectly violated and, unless enjoined, will continue to violate Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5, 17 C.F.R. § 240.

RELIEF REQUESTED

WHEREFORE, the Commission respectfully requests that the Court:

I.

Declaratory Relief

Declare, determine, and find that the Defendants have committed the violations of the federal securities laws alleged in this Complaint.

II.

Permanent Injunctive Relief

Issue a Permanent Injunction restraining and enjoining the Defendants, their officers, agents, servants, employees, attorneys, and all persons in active concert or participation with them, and each of them, from violating Section 17(a) of the Securities Act and Section 10(b) and Rule 10b-5 of the Exchange Act, as indicated above.

III.

Disgorgement

Issue an Order directing Haynes to disgorge all ill-gotten gains, including prejudgment interest, resulting from the acts or courses of conduct alleged in this Complaint.

IV.

Penalties

Issue an Order directing all 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. § 78(d)(3).

V.

Penny Stock Bar

Issue an Order barring Haynes and Gjonbalaj from participating in any offering of penny stock, pursuant to Section 20(g) of the Securities Act, 15 U.S.C. § 77t(g), and Section 21(d) of the Exchange Act, 15 U.S.C. § 78u(d), for the violations alleged in this Complaint.

VI.

Further Relief

Grant such other and further relief as may be necessary and appropriate.

VII.

Retention of Jurisdiction

Further, the Commission respectfully requests that the Court retain jurisdiction over this action in order to implement and carry out the terms of all orders and decrees that it may enter, or to entertain any suitable application or motion by the Commission for additional relief within the jurisdiction of this Court.

Respectfully submitted,

December 7, 2007

By:



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COMMISSION**

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JS 44 (Rev. 11/05)

CIVIL COVER SHEET

The JS 44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. (SEE INSTRUCTIONS ON THE REVERSE OF THE FORM.) **NOTICE: Attorneys MUST Indicate All Re-filed Cases Below.**

<p>I. (a) PLAINTIFFS SECURITIES AND EXCHANGE COMMISSION</p> <p>(b) County of Residence of First Listed Plaintiff _____ (EXCEPT IN U.S. PLAINTIFF CASES)</p> <p>(c) Attorney's (Firm Name, Address, and Telephone Number) Amie Riggle Berlin, Esq. (305) 982-6322 Securities and Exchange Commission 801 Brickell Avenue, Suite 1800, Miami, FL 33131</p>	<p>DEFENDANTS WILLIAM L. HAYNES, EFRIM GJONBALAJ, AND REAL ASSET MANAGEMENT LLC</p> <p>County of Residence of First Listed Defendant <u>MARTIN</u> (IN U.S. PLAINTIFF CASES ONLY)</p> <p>NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE TRACT LAND INVOLVED.</p> <p>Attorneys (If Known)</p>
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(d) Check County Where Action Arose: MIAMI-DADE MONROE BROWARD PALM BEACH MARTIN ST. LUCIE INDIAN RIVER OKEECHOBEE HIGHLANDS

<p>II. BASIS OF JURISDICTION (Place an "X" in One Box Only)</p> <p><input checked="" type="checkbox"/> 1 U.S. Government Plaintiff</p> <p><input type="checkbox"/> 2 U.S. Government Defendant</p> <p><input type="checkbox"/> 3 Federal Question (U.S. Government Not a Party)</p> <p><input type="checkbox"/> 4 Diversity</p> <p>(Indicate Citizenship of Parties in Item III)</p>	<p>III. CITIZENSHIP OF PRINCIPAL PARTIES (Place an "X" in One Box for Plaintiff and One Box for Defendant)</p> <table style="width:100%;"> <tr> <td style="width:33%;">Citizen of This State</td> <td style="width:33%;">PTF DEF</td> <td style="width:33%;">PTF DEF</td> </tr> <tr> <td><input type="checkbox"/> 1</td> <td><input type="checkbox"/> 1</td> <td><input type="checkbox"/> 4 <input type="checkbox"/> 4</td> </tr> <tr> <td colspan="3">Incorporated or Principal Place of Business In This State</td> </tr> <tr> <td>Citizen of Another State</td> <td>PTF DEF</td> <td>PTF DEF</td> </tr> <tr> <td><input type="checkbox"/> 2</td> <td><input type="checkbox"/> 2</td> <td><input type="checkbox"/> 5 <input type="checkbox"/> 5</td> </tr> <tr> <td colspan="3">Incorporated and Principal Place of Business In Another State</td> </tr> </table>	Citizen of This State	PTF DEF	PTF DEF	<input type="checkbox"/> 1	<input type="checkbox"/> 1	<input type="checkbox"/> 4 <input type="checkbox"/> 4	Incorporated or Principal Place of Business In This State			Citizen of Another State	PTF DEF	PTF DEF	<input type="checkbox"/> 2	<input type="checkbox"/> 2	<input type="checkbox"/> 5 <input type="checkbox"/> 5	Incorporated and Principal Place of Business In Another State		
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Incorporated and Principal Place of Business In Another State																			

West Palm Beach 107-81165-cv-Middlebrooks/Johnson

IV. NATURE OF SUIT (Place an "X" in One Box Only)

<p>CONTRACT</p> <p><input type="checkbox"/> 110 Insurance</p> <p><input type="checkbox"/> 120 Marine</p> <p><input type="checkbox"/> 130 Miller Act</p> <p><input type="checkbox"/> 140 Negotiable Instrument</p> <p><input type="checkbox"/> 150 Recovery of Overpayment & Enforcement of Judgment</p> <p><input type="checkbox"/> 151 Medicare Act</p> <p><input type="checkbox"/> 152 Recovery of Defaulted Student Loans (Excl. Veterans)</p> <p><input type="checkbox"/> 153 Recovery of Overpayment of Veteran's Benefits</p> <p><input type="checkbox"/> 160 Stockholders' Suits</p> <p><input type="checkbox"/> 190 Other Contract</p> <p><input type="checkbox"/> 195 Contract Product Liability</p> <p><input type="checkbox"/> 196 Franchise</p>	<p>TORTS</p> <p>PERSONAL INJURY</p> <p><input type="checkbox"/> 310 Airplane</p> <p><input type="checkbox"/> 315 Airplane Product Liability</p> <p><input type="checkbox"/> 320 Assault, Libel & Slander</p> <p><input type="checkbox"/> 330 Federal Employers' Liability</p> <p><input type="checkbox"/> 340 Marine</p> <p><input type="checkbox"/> 345 Marine Product Liability</p> <p><input type="checkbox"/> 350 Motor Vehicle</p> <p><input type="checkbox"/> 355 Motor Vehicle Product Liability</p> <p><input type="checkbox"/> 360 Other Personal Injury</p>	<p>PERSONAL INJURY</p> <p><input type="checkbox"/> 362 Personal Injury - Med. Malpractice</p> <p><input type="checkbox"/> 365 Personal Injury - Product Liability</p> <p><input type="checkbox"/> 368 Asbestos Personal Injury Product Liability</p> <p>PERSONAL PROPERTY</p> <p><input type="checkbox"/> 370 Other Fraud</p> <p><input type="checkbox"/> 371 Truth in Lending</p> <p><input type="checkbox"/> 380 Other Personal Property Damage</p> <p><input type="checkbox"/> 385 Property Damage Product Liability</p>	<p>FORFEITURE/PENALTY</p> <p><input type="checkbox"/> 610 Agriculture</p> <p><input type="checkbox"/> 620 Other Food & Drug</p> <p><input type="checkbox"/> 625 Drug Related Seizure of Property 21 USC 881</p> <p><input type="checkbox"/> 630 Liquor Laws</p> <p><input type="checkbox"/> 640 R.R. & Truck</p> <p><input type="checkbox"/> 650 Airline Regs.</p> <p><input type="checkbox"/> 660 Occupational Safety/Health</p> <p><input type="checkbox"/> 690 Other</p>	<p>BANKRUPTCY</p> <p><input type="checkbox"/> 422 Appeal 28 USC 158</p> <p><input type="checkbox"/> 423 Withdrawal 28 USC 157</p> <p>PROPERTY RIGHTS</p> <p><input type="checkbox"/> 820 Copyrights</p> <p><input type="checkbox"/> 830 Patent</p> <p><input type="checkbox"/> 840 Trademark</p>	<p>OTHER STATUTES</p> <p><input type="checkbox"/> 400 State Reapportionment</p> <p><input type="checkbox"/> 410 Antitrust</p> <p><input type="checkbox"/> 430 Banks and Banking</p> <p><input type="checkbox"/> 450 Commerce</p> <p><input type="checkbox"/> 460 Deportation</p> <p><input type="checkbox"/> 470 Racketeer Influenced and Corrupt Organizations</p> <p><input type="checkbox"/> 480 Consumer Credit</p> <p><input type="checkbox"/> 490 Cable/Sat TV</p> <p><input type="checkbox"/> 810 Selective Service</p> <p><input checked="" type="checkbox"/> 850 Securities/Commodities/Exchange</p> <p><input type="checkbox"/> 875 Customer Challenge 12 USC 3410</p> <p><input type="checkbox"/> 890 Other Statutory Actions</p> <p><input type="checkbox"/> 891 Agricultural Acts</p> <p><input type="checkbox"/> 892 Economic Stabilization Act</p> <p><input type="checkbox"/> 893 Environmental Matters</p> <p><input type="checkbox"/> 894 Energy Allocation Act</p> <p><input type="checkbox"/> 895 Freedom of Information Act</p> <p><input type="checkbox"/> 900 Appeal of Fee Determination Under Equal Access to Justice</p> <p><input type="checkbox"/> 950 Constitutionality of State Statutes</p>
<p>REAL PROPERTY</p> <p><input type="checkbox"/> 210 Land Condemnation</p> <p><input type="checkbox"/> 220 Foreclosure</p> <p><input type="checkbox"/> 230 Rent Lease & Ejectment</p> <p><input type="checkbox"/> 240 Torts to Land</p> <p><input type="checkbox"/> 245 Tort Product Liability</p> <p><input type="checkbox"/> 290 All Other Real Property</p>	<p>CIVIL RIGHTS</p> <p><input type="checkbox"/> 441 Voting</p> <p><input type="checkbox"/> 442 Employment</p> <p><input type="checkbox"/> 443 Housing/Accommodations</p> <p><input type="checkbox"/> 444 Welfare</p> <p><input type="checkbox"/> 445 Amer. w/Disabilities - Employment</p> <p><input type="checkbox"/> 446 Amer. w/Disabilities - Other</p> <p><input type="checkbox"/> 440 Other Civil Rights</p>	<p>PRISONER PETITIONS</p> <p><input type="checkbox"/> 510 Motions to Vacate Sentence</p> <p>Habeas Corpus:</p> <p><input type="checkbox"/> 530 General</p> <p><input type="checkbox"/> 535 Death Penalty</p> <p><input type="checkbox"/> 540 Mandamus & Other</p> <p><input type="checkbox"/> 550 Civil Rights</p> <p><input type="checkbox"/> 555 Prison Condition</p>	<p>LABOR</p> <p><input type="checkbox"/> 710 Fair Labor Standards Act</p> <p><input type="checkbox"/> 720 Labor/Mgmt. Relations</p> <p><input type="checkbox"/> 730 Labor/Mgmt. Reporting & Disclosure Act</p> <p><input type="checkbox"/> 740 Railway Labor Act</p> <p><input type="checkbox"/> 790 Other Labor Litigation</p> <p><input type="checkbox"/> 791 Empl. Ret. Inc. Security Act</p>	<p>SOCIAL SECURITY</p> <p><input type="checkbox"/> 861 HIA (1395f)</p> <p><input type="checkbox"/> 862 Black Lung (923)</p> <p><input type="checkbox"/> 863 DIWC/DIWW (405(g))</p> <p><input type="checkbox"/> 864 SSID Title XVI</p> <p><input type="checkbox"/> 865 RSI (405(g))</p>	<p>FEDERAL TAX SUITS</p> <p><input type="checkbox"/> 870 Taxes (U.S. Plaintiff or Defendant)</p> <p><input type="checkbox"/> 871 IRS--Third Party 26 USC 7609</p>

V. ORIGIN (Place an "X" in One Box Only)

1 Original Proceeding

2 Removed from State Court

3 Re-filed- (see VI below)

4 Reinstated or Reopened

5 Transferred from another district (specify)

6 Multidistrict Litigation

7 Appeal to District Judge from Magistrate Judgment

VI. RELATED/RE-FILED CASE(S).

a) Re-filed Case YES NO

b) Related Cases YES NO

(See instructions second page): JUDGE _____ DOCKET NUMBER _____

VII. CAUSE OF ACTION

Cite the U.S. Civil Statute under which you are filing and Write a Brief Statement of Cause (Do not cite jurisdictional statutes unless diversity):

15 U.S.C. § 77q(a); 15 U.S.C. 78j(b) and 17 C.F.R. § 240. 10b-5. Violations of the federal securities laws.

LENGTH OF TRIAL via 5 days estimated (for both sides to try entire case)

VIII. REQUESTED IN COMPLAINT:

CHECK IF THIS IS A CLASS ACTION UNDER F.R.C.P. 23

DEMANDS **Perm. Injunction, Disgorgement, Civil Penalty & Penny Stock Bar**

CHECK YES only if demanded in complaint: **JURY DEMAND:** Yes No

ABOVE INFORMATION IS TRUE & CORRECT TO THE BEST OF MY KNOWLEDGE

SIGNATURE OF ATTORNEY OF RECORD: _____ DATE: 12/7/07

FOR OFFICE USE ONLY

AMOUNT _____ RECEIPT # _____ IFP _____