

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA
MIAMI DIVISION**

CASE NO.

SECURITIES AND EXCHANGE COMMISSION,)	
)	
Plaintiff,)	
v.)	
)	
STEPHEN H. LARKIN,)	
)	
Defendant.)	

COMPLAINT

Plaintiff Securities and Exchange Commission alleges as follows:

I. INTRODUCTION

1. From no later than November 2009 through April 2010, Defendant Stephen H. Larkin engaged in a fraudulent scheme to manipulate the market for Belltower Entertainment Corporation's common stock in violation of the federal securities laws.

2. Larkin, a beneficial owner of approximately 1.67 million shares of Belltower stock, engaged in a scheme with a purported corrupt stock promoter to issue false and misleading press releases. For falsely touting Belltower's stock, Larkin agreed to pay a kickback to the stock promoter, but he did not know the corrupt promoter was actually a witness cooperating with the FBI.

3. Larkin created this scheme in an effort to generate the appearance of market interest in the company, induce public purchases of its stock, and rapidly increase the stock's trading price. Once the price rose sufficiently, Larkin planned to sell his shares at an artificially inflated price.

4. As a result of the conduct described in this Complaint, Larkin 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. Unless restrained and enjoined, he is reasonably likely to continue to violate the securities laws.

5. The Commission respectfully requests that the Court enter: (1) a permanent injunction restraining and enjoining Larkin from violating the federal securities laws; (2) an order directing Larkin to pay civil money penalties; and (3) an order barring Larkin from participating in any offering of penny stock.

II. DEFENDANT AND RELEVANT ENTITY

A. Defendant

6. Larkin resides in Dana Point, California, and at the time of the allegations, he acted as a stock promoter. During the relevant time period, Larkin owned or controlled at least 1.67 million shares of Belltower stock.

B. Relevant Entity

7. Belltower is a Nevada corporation with its principal place of business in Studio City, California. It purports to be an independent film production company. Its common stock is quoted on the OTC Bulletin Board under the symbol “BTOW.” The company’s stock is registered with the Commission pursuant to Section 12(g) of the Exchange Act, and it files periodic reports.

8. Belltower’s stock is a “penny stock” as defined by the Exchange Act. At all times relevant to this Complaint, the stock’s shares traded at less than \$5.00 per share. In fact, at all times relevant, the stock traded at under fifty cents a share.

9. During the same time period, Belltower's stock did not meet any of the exceptions to penny stock classification pursuant to Section 3(a)(51) and Rule 3a51-1 of the Exchange Act. For example, the company's stock: (1) did not trade on a national securities exchange; (2) was not an "NMS stock," as defined in 17 C.F.R. § 242.242.600(b)(47); (3) did not have net tangible assets (i.e., total assets less intangible assets and liabilities) in excess of \$5,000,000; and (4) did not have average revenue of at least \$6,000,000 for the last three years. *See* Exchange Act, Rule3a51-1(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 Larkin, and venue is proper in the Southern District of Florida, because many of his acts and transactions constituting violations of the Securities Act and the Exchange Act occurred in the District. For example, on April 13, 2010, Larkin wired a kickback to an FBI controlled bank account at Florida Shores Bank, which is located in the District. He also sent text messages, made telephone calls, and sent e-mails to the witness, who was located in the District. Specifically, Larkin telephoned the witness to plan the fraud on multiple days during February, March, and April 2010. On April 8, 2010, he also e-mailed a fraudulent draft press release to the witness, who received the e-mail in the District.

12. Larkin, directly or indirectly, made use of the means or instruments of transportation or communication in interstate commerce, or of a means or instrumentality of interstate commerce, or of the mails, in connection with the conduct alleged in this Complaint.

IV. THE FRAUDULENT SCHEME

13. In November 2009, a corporate insider at Belltower sold approximately 1.67 million shares of the company's common stock to Larkin in exchange for his stock promotion services. After buying these shares, Larkin schemed to artificially inflate the market price for the stock.

14. In December 2009 and January 2010, the public market for Belltower common stock was dormant. During that time period, the average trading volume was less than 9,500 shares per day, and on fourteen trading days, no shares of Belltower were traded. To artificially raise the price of the stock and sell his shares at an inflated profit, Larkin sought out another stock promoter to help him falsely tout the supposed strengths of Belltower.

15. During January and February 2010, Larkin contacted the cooperating witness, who was located in the District, regarding a potential market fraud involving Belltower stock. The witness held himself out as a stock promoter with connections to numerous services that touted penny stocks through mass e-mail services, fee-for-service newsletters, and other promotional services. These services send information to potential investors promoting the purchase or sale of various stocks based upon a company's strengths and weaknesses.

16. Larkin agreed to pay kickbacks to the cooperating witness if he would use his contacts to promote Belltower through false press releases, spam e-mails, and other devices. Larkin agreed to provide false information to the witness. He indicated he did not care if the information was true or false; he was only concerned with increasing the price and volume of Belltower's stock.

17. On April 7, 2010, during a telephone call with the cooperating witness, Larkin specifically told the witness to “lie” to his promotional contacts about Belltower. Again, he said his motivation was to move the price of the stock.

18. On April 8, 2010, Larkin sent an e-mail to the witness attaching proposed bullet points for a Belltower press release. The bullet points touted Belltower as producing many films with popular American film actors such as Forrest Whitaker and Orlando Bloom. The release claimed Belltower had financed films with these actors, and these films were projected to make millions of dollars of revenue for the company. The claims in this release were false and misleading. The witness indicated he needed the kickbacks before he could disseminate any information about Belltower.

19. On April 13, 2010, Larkin paid a kickback to the witness for assisting in his promotional scheme by wiring approximately \$50,000 from his account to an FBI controlled bank account in the Southern District.

20. Two days later, Larkin paid another kickback to the witness by wiring approximately \$37,500 from his account to an E-trade trading account controlled by the FBI.

21. That same day, Larkin confirmed in a telephone call with the witness that he had provided false information about Belltower. Despite this fact, Larkin encouraged the witness to promote Belltower with the false information and circulate the information to his promotional contacts.

22. On April 17, 2010, the witness contacted Larkin and indicated he could not promote Belltower to his contacts and was pulling out of the deal because the FBI had contacted one of his associates.

COUNT I

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

23. The Commission realleges and incorporates paragraphs 1 through 22 of its Complaint.

24. From November 2009 through April 2010, Larkin 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, knowingly, willfully or recklessly employed devices, schemes or artifices to defraud.

25. By reason of the foregoing, Larkin, directly and indirectly, violated and, unless enjoined, is reasonably likely to 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

26. The Commission realleges and incorporates paragraphs 1 through 22 of its Complaint.

27. From November 2009 through April 2010, Larkin, 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 omitted 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.

28. By reason of the foregoing, Larkin directly or indirectly violated and, unless enjoined, is reasonably likely to 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 Larkin has committed the violations of the federal securities laws alleged in this Complaint.

II.

Permanent Injunctive Relief

Issue a Permanent Injunction restraining and enjoining Larkin, his 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.

Penalties

Issue an Order directing Larkin 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).

IV.

Penny Stock Bar

Issue an Order barring Larkin 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.

V.

Further Relief

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

VI.

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,

October 7, 2010

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