

JUDGE KNAPP

DOC # 1

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**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

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:
SECURITIES AND EXCHANGE COMMISSION, :

COMPLAINT

Plaintiff, :

01 Civ. 

- against - :

**EDWARD GURIN, JOSHUA GURIN, and TRINARC
CORPORATION,** :

Defendants. :
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Plaintiff Securities and Exchange Commission ("Commission"), for its Complaint against defendants Edward Gurin ("E. Gurin"), Joshua Gurin ("J. Gurin," E. Gurin and J. Gurin are collectively referred to as "the Gurins"), and Trinarc Corporation ("Trinarc") (the Gurins and Trinarc are collectively referred to as the "Defendants") alleges as follows:

PRELIMINARY STATEMENT

1. The Commission brings this action to halt a series of schemes in which defendant E. Gurin, a 26-year old purported computer entrepreneur and formerly an associated person of various broker-dealers, and his father, defendant J. Gurin, have been defrauding investors when soliciting them to buy unregistered and, at times, non-existent securities of private companies. These frauds include a current offering of unregistered

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stock of Trinarc, a company started by E. Gurin to assemble multimedia computers. These frauds also include a prior offering of Trinarc stock in 1999, and an offering of warrants of Actium Pharmaceuticals, Inc. ("Actium"), a drug company, in the spring of 2000. The evidence to date shows that through these and other securities frauds, E. and J. Gurin have raised over \$1.2 million from at least eight investors.

2. Most recently, over the past several weeks, E. Gurin has sought to raise several hundred thousand dollars through two major misrepresentations in the offer of Trinarc stock. First, E. Gurin has represented that Trinarc has a contract to supply \$35 million worth of computers to schools in Mexico as part of an arrangement involving the United States Department of Commerce ("Commerce Department"), International Business Machines Corporation ("IBM"), and an initiative supposedly called "e-NAFTA." In fact, Trinarc has no such contract. Second, E. Gurin has represented that Trinarc is planning an initial public offering ("IPO") for the autumn of 2001, has received a letter of intent from Credit Suisse First Boston Corporation ("CSFB") to underwrite the offering, and has secured the interest of other investment banks. Neither CSFB, nor other investment banks mentioned by E. Gurin, have even heard of Trinarc, let alone signed a letter of intent to participate in an IPO for the company.

3. E. and J. Gurin have made similar misrepresentations in earlier offerings. In late 1999, E. and J. Gurin obtained \$300,000 from an investor by purporting to sell him Trinarc common stock and by predicting that Trinarc would launch an IPO in 2001 at \$10 per share. At the time, Trinarc was not even incorporated, let alone sufficiently developed to support predictions of an IPO or price projections of \$10 per share. During the spring of 2000, E. Gurin, aided by J. Gurin, fraudulently raised at least \$755,000 from

several investors by selling them warrants purportedly issued by Actium. The offering was a sham because Actium never issued any warrants. Not only did the Gurins (a) lie about the existence of these securities, but they also (b) falsely represented that Actium was being acquired by a German company, “Schering-Haas Ventures” (“Schering-Haas”); (c) baselessly promised that investors would double or triple their money in days or weeks; and (d) claimed that investor funds were guaranteed, would be held in escrow, and would be returned in days – when, in fact, the money soon disappeared after being deposited into accounts of the Gurins and into an account at a Nigerian bank. Through similar lies, the Gurins also defrauded investors into buying Actium common stock in 1999 and investing in warrants of a supposed “Devon Asset Management LTD.” in the spring of 2000.

4. The Defendants, directly or indirectly, have engaged, are engaging, and are about to engage, in violations of Section 17(a) of the Securities Act of 1933 (“Securities Act”), 15 U.S.C. § 77q(a), and Section 10(b) of the Securities Exchange Act of 1934 (“Exchange Act”), 15 U.S.C. § 78j(b), and Rule 10b-5, 17 C.F.R. §240.10b-5.

5. Unless E. Gurin and Trinarc are temporarily restrained and preliminarily and permanently enjoined, and J. Gurin permanently enjoined, the Defendants will continue to engage in the transactions, acts, practices and courses of business alleged herein, and in transactions, acts, practices, and courses of business of a similar type and object.

JURISDICTION

6. The Commission brings this action pursuant to 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), seeking to temporarily restrain, and preliminarily and permanently enjoin E. Gurin and Trinarc, and permanently enjoin J. Gurin, from engaging in the wrongful conduct alleged in this complaint. The Commission also seeks a final judgment ordering the Defendants to disgorge their ill-gotten gains and to pay prejudgment interest thereon, and ordering the 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). The Commission also seeks equitable relief during the pendency of this action, including an order: (a) freezing the assets of E. Gurin and Trinarc (to the extent Trinarc has funds raised from investors); (b) directing E. Gurin and Trinarc to provide an accounting; (c) ordering E. Gurin to repatriate assets held outside the United States; and (d) providing for expedited discovery and preventing the destruction of documents.

7. This Court has jurisdiction over this action, and venue lies in this District, pursuant to Section 22(a) of the Securities Act, 15 U.S.C. §77v(a), and Sections 21(d), 21(e) and 27 of the Exchange Act, 15 U.S.C. §§77u(d), 77u(e) and 78aa.

8. The Defendants, directly and indirectly, singly or in concert, have made use of the means and 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 in this Complaint. Certain of the transactions, acts, practices and courses of business occurred within the Southern District of New York, including the solicitation of investors in this District. Defendants reside in the Southern District of New York.

THE DEFENDANTS

9. E. Gurin, age 26, lives in New York, New York. E. Gurin was associated with The Thermopylae Group, Inc. (“Thermopylae Group”), a now defunct broker-dealer, from at least December 1999 to June 2000, and served as the firm’s president and general securities principal. In addition, E. Gurin had associations with other broker-dealers between September 1997 and April 2000.

10. J. Gurin, age unknown, lives in New York, New York. J. Gurin is a retired physician and is the father of E. Gurin. J. Gurin served on the Health Advisory Board of Actium. J. Gurin touted E. Gurin to various individuals as a financial genius who handled investments for many famous people.

11. Trinarc was incorporated in Delaware in April 2000 and is not registered with the Commission. Trinarc’s principal place of business is 350 Fifth Avenue, Room 6907, New York, New York 10118. In August 2000, Trinarc filed with the Commission a Form D which states that Trinarc sought to raise approximately \$3 million from the sale of securities purportedly exempt from registration. According to a private placement memorandum for Trinarc securities dated August 9, 2000 (the “Trinarc PPM”), Trinarc “creates and sells high-performance, low cost multimedia computers for the home, educational, business and institutional markets.” According to Trinarc’s August 2000 Form D, E. Gurin is a Beneficial Owner, Director and Executive Officer of Trinarc. The Trinarc PPM states that E. Gurin owns 61.50% and his parents, Zina Gurin and J. Gurin, jointly own 14.14% of Trinarc’s authorized stock.

OTHER RELEVANT ENTITIES AND NAMES

12. Actium, formerly known as AWCP.COM Inc., and, prior to that, known as A.W. Curtis Pharmaceuticals, Inc., was incorporated in New York in May 1995 and re-incorporated as a Delaware corporation in 1998. Actium securities are not registered with the Commission. According to a securities offering memorandum, dated May 27, 1999, that was prepared to facilitate the private placement offering of Actium's common stock, Actium "is a developmental stage company organized to discover, develop, and market over-the-counter therapeutic products for the treatment of pain utilizing novel delivery systems." Actium's principal place of business is 319 Utica Avenue, Brooklyn, New York, 11213.

13. Devon Asset Management LTD ("Devon"), as evidenced by a document sent by E. Gurin to an investor, purports to be an entity in London, England with offices at Devlin House, 36 St. George Street, Mayfair, London, W1R 9FA. According to the same document, Oxford Securities & Inv. Ltd. ("Oxford") contractually agreed to acquire Devon on May 18, 2000. There is no record of Devon or Oxford in the Commission's filings or in various public databases.

14. Thermopylae Capital, LLC ("Thermopylae Capital") was incorporated in the State of New York on January 27, 1999. E. Gurin is the sole shareholder of Thermopylae Capital. Thermopylae Capital holds at least a seventy-five percent interest in the Thermopylae Group, a now-defunct broker-dealer that was registered with the NASD until it filed a Form BDW with the Commission on June 15, 2000. The Thermopylae Group was incorporated in New York State on May 9, 1967.

**THE DEFENDANTS' FRAUDULENT
OFFER AND SALE OF SECURITIES**

A. E. Gurin's Current Fraudulent Offering of Trinarc Stock

15. For approximately one year, E. Gurin has been attempting to develop Trinarc, a self-described "privately-held New York Corporation that designs and manufactures high-performance, low-cost multimedia PC systems for the home, educational, business and institutional markets." At present, Trinarc appears to have one location, in the Empire State Building. The company's website, "trinarc.com," states that the company launched a product line of multimedia PCs in October 2000.

16. E. Gurin has been offering investors actual and purported stock in Trinarc since at least late 1999. On or about August 14, 2000, Trinarc filed with the Commission a Form D, signed by E. Gurin, in which Trinarc represented that it would seek to raise \$3,000,000 through the offering of unregistered shares of Trinarc common stock.

17. Since at least January 2001 and continuing over the past several weeks, E. Gurin and Trinarc have made materially false statements and omitted to state material facts necessary to make the statements made not misleading in the offer of, and in connection with the actual or prospective purchase and sale of, Trinarc stock. E. Gurin, on behalf of Trinarc, has engaged in this conduct when soliciting at least one prospective investor to purchase 250,000 shares of Trinarc common stock at \$1 per share, for a total purchase price of \$250,000. In conversations with E. Gurin, the prospective investor has described himself as "Mike Grippo," an actor with a large inheritance. In truth, "Mike Grippo," is actually an undercover agent of the Federal Bureau of Investigation ("FBI") who has recorded his several conversations with E. Gurin. During these conversations

with "Mike Grippo," E. Gurin has lied about (1) Trinarc's current business operations and (2) prospects of conducting an IPO later this year.

18. E. Gurin and Trinarc have made the following false representations to "Mike Grippo" regarding Trinarc's business prospects:

a) E. Gurin told "Mike Grippo" that Trinarc, with involvement of the United States Department of Commerce ("Commerce Department"), recently secured a \$35 million contract from the Government of Mexico to supply personal computers to schools pursuant to a nation-wide program in Mexico. E. Gurin told "Mike Grippo" that Trinarc obtained that contract as part of an initiative called "e-NAFTA" in which the United States government provides funding through "tax credits" to help the Government of Mexico obtain computer technology from United States companies. E. Gurin told "Mike Grippo" that Vincente Fox, the president of Mexico, set forth an initiative to put modern computers in Mexican schools, that "IBM's going to be servicing the machines and Trinarc's going to be designing and manufacturing them," and that they will probably set up a factory in Mexico.

b) E. Gurin told "Mike Grippo" that Trinarc is planning an IPO, that E. Gurin expects that Trinarc will conduct an IPO later this year, and that several prominent investment banks in New York City have expressed strong interest in underwriting Trinarc's IPO. E. Gurin told "Mike Grippo" that among others these investment banks include CSFB, Lehman Brothers ("Lehman"), and CIBC Oppenheimer ("Oppenheimer"). More

specifically, E. Gurin told “Mike Grippo” that CSFB has entered into a letter of intent with Trinarc to underwrite an IPO for Trinarc.

19. The representations described in paragraphs 17 and 18 were and are materially false and misleading for the following reasons: (a) Trinarc has not obtained any contract valued at \$35 million, including any such contract involving the Mexican Government, IBM, and/or the Commerce Department; (b) CSFB and the other investment banks that E. Gurin and Trinarc identified to the prospective investor have not expressed any interest in, or agreed to, underwrite an IPO of Trinarc securities; (c) CSFB has not entered into any letter of intent, or any other written or oral agreements, with Trinarc or E. Gurin; and (d) Trinarc has taken no bona fide steps to plan for or conduct an IPO.

20. When making the misrepresentations described in paragraphs 17 and 18, E. Gurin has known, or has been reckless in not knowing, that they are false. As Trinarc’s principal, he has direct knowledge of Trinarc’s operations. During conversations with “Mike Grippo,” he portrayed himself as having personal knowledge of Trinarc’s Mexico contract and plans for an IPO.

B. E. and J. Gurin’s Other Fraudulent offer and sale of Trinarc Stock

21. E. Gurin and J. Gurin knowingly or recklessly made materially false statements, and omitted to state material facts necessary to make the statements made not misleading, in the offer of, and in connection with the purchase and sale of shares of, Trinarc common stock beginning in or about in November 1999. E. and J. Gurin have made misrepresentations about Trinarc’s corporate status and prospects to conduct an IPO.

22. In late November 1999, the Gurins solicited an investor ("Investor 1"), who resides in Maryland, to purchase securities purportedly issued by Trinarc. J. Gurin told Investor 1 that Trinarc securities were selling for 20 cents a share, but that after December 1, 1999 each share would be offered at \$1.00 per share. Shortly thereafter, E. Gurin told Investor 1 that shares of Trinarc would be publicly traded in 2001 at \$10.00 per share. Soon thereafter, Investor 1 wired \$300,000 out of his pension account to buy Trinarc stock. Instead of receiving a certificate for Trinarc stock, in June 2000 Investor 1 received a stock certificate for Thermopylae Capital. E. Gurin then explained to Investor 1 that the Thermopylae stock could be converted into Trinarc stock in the fall of 2000. Investor 1 never intended to invest in Thermopylae Capital and he believed, based on representations by the Gurins, that he had invested in Trinarc.

23. In October 2000, in an effort to appease Investor 1, E. Gurin told him that his interest in Thermopylae Capital had been converted into Trinarc Stock. Through as recently as December 2000, E. Gurin continued to represent to Investor 1 that Trinarc would undergo an IPO in 2001.

24. E. and J. Gurin's representations described in paragraphs 21 through 23 about Trinarc stock were false when made in two respects. First, as E. Gurin must have known and as J. Gurin knew or was reckless in not knowing, Trinarc was not even incorporated and therefore could not issue stock to begin with. Trinarc did not incorporate until April 2000. Second, because Trinarc was not even a going concern, the Gurins could not possibly have had a reasonable basis in November 1999, or even December 2000, to predict that Trinarc would launch an IPO in 2001, let alone a basis for predicting that Trinarc stock would sell for \$10 per share in any such offering. Investor

1's \$300,000 actually went to a bank account in the name of the Thermopylae Group, a broker-dealer controlled by E. Gurin at the time and never was returned to Investor 1.

C. The Gurins' Fraudulent Offer and Sale of Actium Warrants

25. In or about April and May 2000, E. and J. Gurin knowingly or recklessly made materially false statements, and omitted to state material facts necessary to make the statements made not misleading, in the offer of, or in connection with the purchase and sale of warrants purportedly issued by Actium.

26. In or about April and May 2000, E. Gurin and J. Gurin undertook to offer and sell purported warrants issued by Actium. The Gurins had experience with Actium from 1998, when Actium retained E. Gurin and the Thermopylae Group to organize a private offering of Actium stock. Unlike the earlier offering, however, in 2000, Actium never retained the Gurins to offer and sell any warrants. Rather, the Gurins conducted the "warrant" offering on their own, without Actium's consent.

27. The Gurins collectively solicited at least five investors to invest in Actium warrants: a female investor ("Investor 2"), a male investor and his wife ("Investors 3&4"), and another female investor ("Investor 4") – all of New York City – and a male investor ("Investor 6") of Beverly Hills, California. The Gurins told these offerees that the warrants were a short-term investment that was both safe and extremely profitable. They sometimes described these as "directorial warrants" available in limited quantities to Actium insiders. By means of the false representations discussed below, the Gurins raised at least \$755,000 from at least four of these offerees. None of these investors have received their money back or any profits, let alone any certificates evidencing Actium warrants.

The Actium Warrants Did Not Exist.

28. The Gurins solicited each of the offerees described in paragraph 27 for investments that involved warrants of Actium or its predecessor, AWCP Pharmaceuticals.

Specifically:

- a. ***Investor 2.*** After E. and J. Gurin solicited her on or about April 16, 2000, she invested \$205,000 in purported AWCP warrants the next day, and then invested another \$300,000 in purported AWCP warrants on or about May 3, 2000
- b. ***Investors 3&4.*** On or about April 28, 2000, J. Gurin solicited Investors 3&4 to invest \$200,000 in a short-term contract pursuant to which E. Gurin would acquire warrants issued by AWCP. Investors 3&4 sent the Gurins \$200,000 for that investment that same day.
- c. ***Investor 5.*** In early April 2000, E. Gurin solicited Investor 5 to invest \$500,000 in warrants relating to a transaction involving Schering-Haas and Actium. Investor 5 did not invest because she did not have sufficient funds available.
- d. ***Investor 6.*** On or about May 4, 2000, E. Gurin solicited Investor 6 to invest \$50,000 in the AWCP warrants relating to a transaction involving Schering-Haas and Actium. Investor 6 wired that amount for that investment that same day.

29. The representations in paragraphs 27 through 28 above were false and misleading in that the Actium warrants offered and sold by the Gurins did not exist. Actium has never issued warrants, has never authorized anyone else to issue warrants on

its behalf, and has never authorized anyone to represent that Actium had or was issuing warrants. Investors 2, 3, 4 and 6 never received any warrant certificates, unlike earlier investors in Actium common stock, who did receive certificates.

30. E. and J. Gurin had no basis for telling investors that they were buying Actium warrants when those securities simply did not exist and when they sent investor funds to accounts that either they controlled or that otherwise appear to have had nothing to do with Actium. E. and J. Gurin knew or were reckless in not knowing that the Actium warrants did not exist. They purported to have personal knowledge about the “warrant” deal they discussed with investors and knew that Actium had not authorized them to offer and sell warrants.

E. Gurin lied to Investors about an Imminent Buyout of Actium.

31. E. Gurin told prospective investors that a German pharmaceutical company had plans to buy Actium imminently and that investors could redeem their Actium warrants at a significant profit after that transaction took place. E. Gurin told Investors 2, 3&4, and 6 that the German acquirer was “Schering Haas Ventures.”

32. E. Gurin’s representations about an acquisition of Actium by “Schering Haas Ventures” or anyone else were blatantly false. Actium has never had communications, negotiations or discussions concerning the acquisition of Actium by any company, let alone any company called “Schering-Haas.”

33. Because Actium never had any merger discussions with any company called Schering-Haas, and because Actium never authorized E. Gurin to tell investors that Actium was involved any merger negotiations, E. Gurin had no basis for telling prospective investor about any imminent buyout of Actium.

34. After investors began to complain that they had not received their principal and profits, E. Gurin continued to lie about the pending acquisition of Actium by another company. For example, E. Gurin told one investor that Schering-Haas agreed to pay a premium to compensate warrant investors for their patience, and told other investors that the acquisition of Actium was complete and that the proceeds would be released from escrow the following Monday for disbursement to investors. These investors never received their money even as E. Gurin struggled to placate them by repeatedly promising that a resolution was at hand – for example, that “the deal is either getting done this week or the warrant funds are being released from escrow.”

The Gurins Baselessly Promised to Double or Triple Investor Principal.

36. In April and May 2000, E. and J. Gurin told Investors 2, 3, 5 and 6 that they would receive enormous profits from their investments in Actium warrants. For example:

- a. J. Gurin told Investor 3 that he and Investor 4 could double their investment in five days in a risk free transaction involving the purchase of Actium warrants.
- b. E. Gurin told Investor 5 that if she invested \$500,000 in Actium warrants she would double her investment within three days and her investment would be promptly returned to her.
- c. E. Gurin assured Investor 2 that if she purchased Actium warrants, her investment was guaranteed to double or triple in one to two weeks. E. Gurin called Investor 2 two weeks later and told her if she acted

immediately and invested in more Actium warrants, her money would be “tripled and returned” within three days.

d. E. Gurin represented to Investor 6 that his investment in the warrants would be returned in three days with at least a triple profit.

37. E. and J. Gurin had no basis to make the representations described in paragraph 36. These representations were false and misleading for the following reasons: First, Actium never issued and authorized the warrants described to Investors 2, 3, 4, 5, and 6. Second, Actium never had the prospect of entering into any transactions that would have caused Actium securities to increase so greatly in value over so short a period of time. Third, Actium never authorized the Gurins to tell prospective investors that the value of Actium securities would greatly increase in a matter of days or other short period of time. Moreover, as Actium was not a public company, any warrants issued by Actium would not have been freely tradable or liquid even if they existed. Thus, the Gurins had no reasonable basis to make representations to Investors 2, 3, 4, 5, and 6 that they would obtain enormous profits in a short period of time.

E. Gurin lied about the Safety of the Actium Warrants Investment.

38. E. and J. Gurin deceived investors into believing that their principal would be safe and would be returned with profits in days or weeks. For example, J. Gurin “assured” Investor 3 that the transaction in which Investors 3&4 invested in Actium warrants was “100% guaranteed,” that it was a “done deal,” and that Investors 3&4 would “get their money back in one week.” J. Gurin and E. Gurin represented to Investor 3 that until the transaction was completed, Investors 3&4’s funds would be held in an escrow account in Great Britain. E. Gurin made misrepresentations concerning the safety

of investor principal. E. Gurin told both Investors 2 and 6 that their investments were “100% safe” because they were guaranteed by Chase Manhattan Bank and Barclay’s Bank. E. Gurin also told at least three investors that their principal would be kept safely in escrow accounts in London and returned in days or weeks.

39. The representations described in paragraph 38 were false. The Actium “warrants” investment was not safe in that investor funds disappeared and never were returned to investors. Unbeknownst to investors, E. Gurin had them send funds either (a) to accounts that actually were controlled by the Gurins at Chase Manhattan Bank in New York, or (b) to an account at Midas Merchant Bank Limited, a Nigerian bank. Contrary to representations, Chase Manhattan Bank and Barclay’s Bank did not guarantee investments in Actium warrants.

40. At the time J. Gurin solicited Investors 3&4, J. Gurin knew, had reason to know, or was reckless in not knowing, that the representations he described in paragraphs 26 through 38 were false for the reasons described above and also because: (a) J. Gurin directed Investors 3&4 to wire their funds to E. Gurin’s account, rather than to Actium; (b) J. Gurin was affiliated with Actium; (c) J. Gurin was aware that Actium was a private company whose securities were not registered with the Commission and were illiquid; and (d) as of April 2000, J. Gurin was aware that investors that been solicited by the Gurins prior to April 2000 in connection with the offering of Actium common stock had complained prior to April 2000 that the Gurins’ representations and promises regarding their investments were false.

41. At the time E. Gurin solicited Investors 2, 3, 4, 5, and 6, E. Gurin knew, or was reckless in not knowing, that the representations described in paragraphs 26 through

38 were false for reasons mentioned above and also because: (a) E. Gurin directed those investors to wire their funds to accounts controlled by the Gurins, rather than to Actium; (b) in 1999, E. Gurin, while at Thermopylae, had assisted Actium with the offering of Actium common stock, which did exist; (c) E. Gurin worked in the securities industry; (d) E. Gurin was aware that Actium was a private company whose securities were not registered with the Commission and were illiquid; and (e) as of April 2000, E. Gurin was aware that investors that had been solicited by the Gurins prior to April 2000 in connection with the offering of Actium common stock had complained prior to April 2000 that the Gurins' representations and promises regarding their investments were false.

D. Other Fraudulent Offerings

Actium Common Stock.

42. Actium retained E. Gurin and the Thermopylae Group in 1998 to assist with a private placement of Actium common stock. Although this common stock offering was authorized by Actium – unlike the subsequent warrants offering in 2000 – it too involved fraudulent misrepresentations by the Gurins, who apparently received \$300,000 for helping Actium raise \$1.6 million through the offer and sale of common stock.

43. Among other things, E. and J. Gurin baselessly told investors that, by investing in Actium common stock, they would double or triple their money in several months, and that Actium soon would conduct an IPO.

44. In April 1999, J. Gurin an investor (“Investor 7”) that if she purchased shares of Actium common stock at \$3 per share, within four months its value would

triple, without any risk. As a result, Investor 7 purchased \$50,000 worth of Actium common stock. The value of Actium stock did not grow as promised.

45. In the fall of 1999, E. Gurin told Investor 6 that Actium planned an IPO for the late fall of 1999 and that he would triple his investment. E. Gurin assured Investor 6 that the shares were guaranteed by Chase Manhattan Bank and the investment is a 100% safe. Investor 6 invested \$25,000. The value of Actium stock did not grow as promised.

46. At the time E. and J. Gurin solicited Investors 6 and 7, the E. and J. Gurin each knew or was reckless in not knowing, that their representations to Investors 6 and 7 were false. Among other things: (a) At the time of the private placement offering for Actium common stock, Actium had no plans to undertake an IPO in the near future and was not in the position to do so; (b) Actium never authorized E. Gurin or anyone else to tell potential investors that Actium would be conducting an IPO in a matter of days, weeks or several months or that Actium's securities would double or triple in value in a short period of time; (c) in 1999, Actium was a private company whose securities were not registered with the Commission and were illiquid, and (d) neither of the Gurins had obtained from Chase Manhattan Bank any guarantee for the non-existing Actium warrants.

Devon Warrants.

47. In May 2000, E. Gurin induced at least two investors to buy "warrants" in a fictitious company, Devon. E. Gurin solicited another investor ("Investor 8"), stressing that she had an opportunity to invest in a "rare situation," "a warrant deal," and that she had to act immediately. After E. Gurin assured Investor 8 that the investment would

result in returns of 25%-35% in less than one week, Investor 8 agreed to invest \$50,000 in Devon warrants. Pursuant to instructions provided by E. Gurin, Investor 8 wired the \$50,000 for the Devon warrants to Bankers Trust for benefit of Midas Merchant Bank for further credit to Oxford Securities & Inv. Ltd.

48. In May 2000, E. Gurin also solicited Investor 5 and told her that if she invested in warrants issued by Devon her investment would double in three days. E. Gurin told Investor 5 that Devon was being purchased and that he was “entirely in control of the Devon deal.” Investor 5 invested \$40,000 by wiring, pursuant to E. Gurin’s instructions, that amount to Bankers Trust for benefit of Midas Merchant Bank for further credit to Oxford Securities & Inv. Ltd.

49. E. Gurin made two misrepresentations to Investors 5 and 8 in connection with this Devon offering. First, E. Gurin portrayed Devon as an existing business when it is not. In fact, Devon does not really exist. Second, to induce an investment in Devon, E. Gurin lied to Investor 8 that investors in the supposedly similar Actium “Schering-Haas” deal had all been “paid and doubled their money.”

50. At the time E. Gurin solicited Investors 5 and 8 to invest in the securities warrants issued by Devon, E. Gurin knew, or was reckless in not knowing, that his representations to Investors 5 and 8 were false.

CLAIM FOR RELIEF

Violations of Section 17(a) of the Securities Act and Section 10(b) of the Exchange Act, and Rule 10b-5 Thereunder

51. The Commission repeats and realleges the allegations contained in Paragraphs 1 through 50 by reference as if fully set forth herein.

52. Defendants, directly and indirectly, singly and in concert, knowingly or recklessly, by the use of the means or instruments of transportation or communication in, and the means or instrumentalities of, interstate commerce, or by the use of the mails, in the offer or sale, and in connection with the purchase or sale, of securities, have: (a) employed devices, schemes or artifices to defraud; (b) obtained money or property by means of, or otherwise made untrue statements of material fact, or omitted to state material facts necessary to make the statements, in light of the circumstances under which they were made, not misleading; and (c) engaged in transactions, acts, practices and courses of business which operated or would operate as a fraud or deceit upon purchasers of securities or other persons.

53. As part of and in furtherance of this violative conduct, E. Gurin, directly or indirectly, made the representations and omitted to state the facts alleged in paragraphs 1 through 50, above.

54. As part of and in furtherance of this violative conduct, J. Gurin, directly or indirectly, made the representations and omitted to state the facts alleged in paragraphs 1, 3, and 21 through 50, above.

55. As part of and in furtherance of this violative conduct, Trinarc, directly or indirectly, made the representations and omitted to state the facts alleged in paragraphs 2 through 3, 15 through 24, above.

56. The false statements and omissions made by Defendants, more fully described in paragraphs 1 through 3, 10, 15 through 51, above, were material.

57. The Defendants knew, or were reckless in not knowing, that the material misrepresentations, more fully described in paragraphs 1 through 3, 10, 15 through 51, above, were false or misleading.

58. By reason of the acts, omissions, practices, and courses of business set forth in this Complaint, the Defendants have violated, are about to violate, and, unless restrained and enjoined, will again violate, Section 17(a) of the Securities Act, Section 10(b) of the Exchange Act, and Rule 10b-5.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff Commission respectfully requests that this Court grant:

I.

Orders temporarily and preliminarily, and Final Judgments permanently, restraining and enjoining E. Gurin and Trinarc, and a Final Judgment permanently restraining and enjoining J. Gurin, their agents, servants, employees, attorneys in fact, and all persons in active concert or participation with them who receive actual notice of the injunction by personal service or otherwise, and each of them, from future violations of Section 17(a) of the Securities Act and Section 10(b) of the Exchange Act, and Rule 10b-5 thereunder.

II.

An Order directing that the assets of E. Gurin and Trinarc be frozen (to the extent of the funds raised by that entity from investors).

III.

An Order directing E. Gurin and Trinarc to each file with this Court and serve upon the Commission, within five business days, or within such extension of time as the Commission agrees in writing or as otherwise Ordered By the Court, verified written accountings, signed by each of them under penalty of perjury.

IV.

An Order directing E. Gurin to repatriate assets held outside the United States.

V.

An Order permitting expedited discovery.

VI.

An Order enjoining and restraining E. Gurin and Trinarc, and any person or entity acting at their direction or on their behalf, including, but not limited to, J. Gurin, from destroying, altering, concealing, or otherwise interfering with the access of the Commission to relevant documents, books and records.

VII.

A Final Judgment requiring E. Gurin, J. Gurin, and Trinarc to disgorge their ill-gotten gains from the fraudulent conduct alleged in this Complaint, and to pay prejudgment interest thereon.

VIII.

Final Judgments imposing against E. Gurin, J. Gurin, and Trinarc civil monetary penalties pursuant to Section 20(d) of the Securities Act and Section 21(d)(3) of the Exchange Act for the violations alleged herein.

IX.

Such other and further relief as the Court deems appropriate.

Dated: February 26, 2001
New York, New York

Respectfully Submitted,



WAYNE M. CARLIN (WC2114)

Regional Director

Attorney For Plaintiff

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