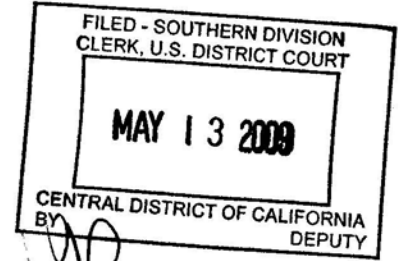


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10 **UNITED STATES DISTRICT COURT**  
11 **CENTRAL DISTRICT OF CALIFORNIA**  
12 **SOUTHERN DIVISION**

13 SECURITIES AND EXCHANGE  
14 COMMISSION,

15 Plaintiff,

16 vs.

17 SUN EMPIRE, LLC, ECAM, LLC a/k/a  
18 EMPIRE CAPITAL ASSET  
19 MANAGEMENT, DELILAH A.  
20 PROCTOR, SHAUNTEL A. MCCOY,  
21 SUN INVESTMENT SAVINGS AND  
22 LOAN, SUN GROUP, BICH QUYEN  
23 NGUYEN, and JOHNNY E. JOHNSON,

21 Defendants,

22 SUN COMMERCE AND  
23 INVESTMENT, INFINITY  
24 INVESTMENT CLUB, LLC, SUNLAND  
25 INVESTMENT CLUB, LLC,  
26 RECOMMENDED SERVICES, INC.,  
27 and TYCOON CLUB  
28 INTERNATIONAL, LLC,

Relief Defendants.

Case No. SACV09-399 DOC (RNBx)

**SECOND AMENDED COMPLAINT**

1 **JURISDICTION AND VENUE**

2 1. This Court has jurisdiction over this action pursuant to Sections 20(b),  
3 20(d)(1) and 22(a) of the Securities Act of 1933 (“Securities Act”), 15 U.S.C.  
4 §§ 77t(b), 77t(d)(1), and 77v(a), and Sections 21(d)(1), 21(d)(3)(A), 21(e), and 27  
5 of the Securities Exchange Act of 1934 (“Exchange Act”), 15 U.S.C. §§ 78u(d)(1),  
6 78u(d)(3)(A), 78u(e), and 78aa. Defendants have, directly or indirectly, made use  
7 of the means or instrumentalities of interstate commerce, of the mails, or of the  
8 facilities of a national securities exchange in connection with the transactions, acts,  
9 practices and courses of business alleged in this Complaint.

10 2. Venue is proper in this district pursuant to Section 22(a) of the  
11 Securities Act, 15 U.S.C. § 77v(a), and Section 27 of the Exchange Act, 15 U.S.C.  
12 § 78aa, because certain of the transactions, acts, practices, and courses of conduct  
13 constituting violations of the federal securities laws occurred within this district,  
14 and most of the defendants reside or are located in this district.

15 **SUMMARY**

16 3. This case involves the ongoing fraudulent offer and sale of more than  
17 \$9 million in unregistered securities by defendants Sun Empire, LLC (“Sun  
18 Empire”), ECAM, LLC a/k/a Empire Capital Asset Management (“ECAM”),  
19 Delilah A. Proctor (“Proctor”), Shauntel A. McCoy (“McCoy”), Sun Investment  
20 Savings and Loan (“SISL”), Sun Group, Bich Quyen Nguyen (“Nguyen”), and  
21 Johnny E. Johnson (“Johnson”) (collectively “Defendants”).

22 4. From at least June 2008 through the present, Defendants have been  
23 soliciting investors for a multi-level marketing scheme operated from an Anaheim,  
24 California hotel. The scheme involves the recruitment of investors who in turn are  
25 encouraged with promises of financial incentives to recruit other new investors.  
26 Proctor and McCoy, through their entities Sun Empire and ECAM, and Nguyen  
27 and Johnson, through their entities SISL and Sun Group, solicited hundreds of  
28 investors from the Desert Palms Hotel in Anaheim and from other locations in

1 California. SISL and Sun Group also solicited investors through SISL's website.  
2 The Defendants offered investors several types of investments that purportedly  
3 generated high-yield returns.

4 5. In reality, Defendants are operating a multi-level marketing Ponzi-like  
5 scheme. In perpetrating the scheme, Defendants have misrepresented how the  
6 proceeds are being used by claiming that they are being invested in high-yield  
7 investments. Instead, Defendants expend investor funds for their own personal use  
8 or for use by other entities they control. These other entities are not disclosed to  
9 potential investors. Defendants also failed to pay investors the returns that they  
10 promised, and Defendants did not disclose to investors that the returns that  
11 Defendants did pay were paid with later investors' money.

12 6. The Defendants, by engaging in the conduct described in this  
13 complaint, have violated, and unless enjoined will continue to violate, the  
14 registration, antifraud, and broker-dealer registration provisions of the federal  
15 securities laws. By this complaint, the Commission seeks emergency relief against  
16 the Defendants, including a temporary restraining order, an asset freeze, the  
17 appointment of a receiver, accountings, an order expediting discovery, and an  
18 order prohibiting the destruction of documents, as well as preliminary and  
19 permanent injunctions, disgorgement with prejudgment interest, and civil penalties.

20 **DEFENDANTS**

21 7. Sun Empire, LLC was incorporated in Nevada in 2000. Delilah A.  
22 Proctor is the manager of Sun Empire. Sun Empire's business address is 631 West  
23 Katella Avenue, Suite 500, Anaheim, California, which is the address for the  
24 Desert Palms Hotel and Suites.

25 8. ECAM, LLC a/k/a Empire Capital Asset Management was  
26 incorporated in California on December 10, 2008. Delilah Proctor is the manager  
27 of ECAM. ECAM's business address is 5820 Miramar Rd, Suite 210, San Diego,  
28 California 92121-2556. Since about January 2009, ECAM has been soliciting



1 investors from the Desert Palms Hotel and Suites.

2 9. Delilah A. Proctor, age 57, resides in Corona, California. Proctor is  
3 the manager of ECAM and Sun Empire. Proctor was associated with two  
4 registered broker-dealers between April 2003 and June 2006. She holds licenses as  
5 an Investment Company Products/Variable Contracts Limited Principal, but is not  
6 currently associated with any broker-dealer.

7 10. Shauntel A. McCoy, age 36, resides in Fontana, California. McCoy  
8 makes investor presentations on behalf of ECAM and is a manager of at least two  
9 Sun Empire and/or ECAM investment clubs. From March 2007 through February  
10 2008, McCoy was associated with a registered investment adviser headquartered in  
11 Georgia. Her prior employment includes positions as a loan originator, a youth  
12 counselor for the California Youth Authority, and a parole agent with the  
13 California Department of Corrections. McCoy is not currently associated with any  
14 registered broker-dealer or investment adviser.

15 11. Sun Investment Savings and Loan ("SISL") purports to be a savings  
16 and loan association located in Milpitas, California. Nguyen is the chief executive  
17 officer of SISL. Its website [www.suninvestsl.com](http://www.suninvestsl.com) is registered to Sun Group, and  
18 its IP address is located in Stockholm, Sweden. SISL does not have a license to  
19 operate as a savings and loan in California. On October 10, 2008, the California  
20 Department of Financial Institutions issued an order warning SISL to cease and  
21 desist from doing business in California without a license from the California  
22 Commissioner of Financial Institutions. SISL is registered with the Swedish  
23 Companies Registration Office as a Swedish "sparkassa" (credit union). A  
24 "sparkassa" is not a bank and does not have a license for financial activities. SISL  
25 is not registered with the Commission in any capacity.

26 12. Sun Group purports to be a "complex, interconnected group of  
27 international corporate, trust and otherwise legally registered financial entities  
28 located throughout the world." Nguyen is the chief executive officer of Sun

1 Group. Sun Group is affiliated with SISL and relief defendant Sun Commerce and  
2 Investment. Sun Group is not registered with the Commission in any capacity.

3 13. Bich Quyen Nguyen (“Nguyen”), age 55, resides in Los Gatos,  
4 California. Nguyen is the chief executive officer of SISL and Sun Group. From at  
5 least June 2008 through the present, Nguyen solicited investors on behalf of Sun  
6 Group, SISL, Sun Commerce and Investment, and other affiliates in various  
7 locations in California. Nguyen is currently soliciting investors through the SISL  
8 website. Nguyen is not registered with the Commission in any capacity.

9 14. Johnny E. Johnson (“Johnson”) is the chief operating officer of Sun  
10 Group and its affiliates. From at least June 2008 through the present, Johnson  
11 solicited investors on behalf of Sun Group, SISL, Sun Commerce, and other  
12 affiliates in various locations in California. Johnson is currently soliciting  
13 investors through the SISL website. Johnson is not registered with the  
14 Commission in any capacity.

15 **RELIEF DEFENDANTS**

16 15. Sun Commerce and Investment is believed to be incorporated in  
17 Panama and doing business in Milpitas, California. According to the website of  
18 SISL, Sun Commerce is “a fully registered, licensing [sic] financial institution, and  
19 is a subsidiary of the Sun Group and functions as a management and processing  
20 entity operating in support of Sun Investment Savings and Loan.” Approximately  
21 \$2,356,000 in investor funds were transferred to Sun Commerce and Investment.

22 16. Infinity Investment Club, LLC is a Wyoming limited liability  
23 corporation with its principal place of business at the Desert Palms Hotel and  
24 Suites in Anaheim, California. Approximately \$185,000 of investor funds was  
25 transferred to Infinity Investment Club, LLC.

26 17. Sunland Investment Club, LLC is a Wyoming Limited Liability  
27 Company with its principal place of business in Murietta, California. At least  
28 \$33,000 of investor funds were transferred to Sunland Investment Club, LLC.

1 18. Recommended Services, Inc. is a Nevada corporation with its  
2 principal place of business in Las Vegas, Nevada. In March of 2009, at least  
3 \$1,070,000 of investor money was transferred to Recommended Services, Inc.

4 19. Tycoon Club International, LLC is a Wyoming limited liability  
5 corporation with its principal place of business at the Desert Palms Hotel and  
6 Suites in Anaheim, California. More than \$75,000 of investor money has been  
7 transferred to Tycoon Club International, LLC.

8 **THE FRAUDULENT OFFERING**

9 20. Defendants are soliciting hundreds of investors in a multi-level  
10 marketing scheme conducted from various locations in California, including the  
11 Desert Palms Hotel and Suites in Anaheim, California. Defendants offered and  
12 sold unregistered securities to investors located in several different states,  
13 including California, Texas, Arizona, and Nevada. Defendants also offered and  
14 sold the securities through the SISL website. No registration statement was filed  
15 or in effect with respect to any of the Defendants' securities offerings. Relief  
16 Defendants, Sun Commerce and Investment, Infinity Investment Club, Sunland  
17 Investment Club, Recommended Services, Inc., and Tycoon Club International are  
18 recipients of some of the investor funds raised by the Defendants.

19 **A. Sun Empire Solicitation in June 2008**

20 21. Sun Empire has been soliciting investors to attend "invitation only"  
21 presentations at the Desert Palms Hotel and Suites. One such investor was invited  
22 by a friend to one of these presentations in June 2008, which included  
23 approximately 70 potential investors. This investor witnessed two other similarly-  
24 sized groups meeting with Proctor immediately before and after his group met with  
25 Proctor. Proctor introduced herself as the CEO of Sun Empire and presented the  
26 Sun Empire investment opportunity.

27 22. In June 2008, Sun Empire, through Proctor, told investors they would  
28 receive at least \$35,000 per month on a \$4,995 investment and that their



1 investments were guaranteed to be safe. She represented that the funds from each  
2 investment group or “club” were pooled with other investment clubs’ funds  
3 together into one “super corporation” and invested in secure offshore investments.  
4 Prospective investors received a flyer entitled “Super Million Dollar Program,”  
5 detailing how an investor would earn a return of \$35,000 per month on a \$4,995  
6 investment. Prior to investing, each investor was required to provide his social  
7 security number, purportedly to allow Sun Empire to obtain the FICO score for the  
8 investor. Proctor told investors that the better their FICO scores, the higher the  
9 rate of return they would receive.

10 23. Proctor promised investors that their investments were guaranteed by  
11 SISL. Proctor claimed that she had invested \$1 million in SISL and received high  
12 rates of return on her investment. She told investors that she founded Sun Empire  
13 so that other investors could take advantage of these high returns. Proctor told  
14 investors that the identity of the bank’s owner was a secret, but she provided  
15 investors with the website address for the bank. As of March 30, 2009, SISL’s  
16 website advertised certificates of deposit with returns as high as 19.30%. The  
17 website also provided investors with information regarding high return private  
18 placement programs, savings accounts, and international project development  
19 funding. SISL issued purported certificates of deposit signed by Nguyen as CEO.

20 24. On October 7, 2008, the California Department of Financial  
21 Institutions (“DFI”) issued a cease and desist warning to SISL because it was  
22 operating without a license from the DFI. The DFI sent an examiner to SISL, but  
23 the location appeared to be the office of a software company. The individual who  
24 occupied the office told the DFI examiner that the software company and SISL  
25 might be indirectly related. On October 15, 2008, in response to the DFI’s cease  
26 and desist warning, an attorney for SISL wrote “this company is not doing any  
27 banking business . . . this is merely a U.S. Administrative Office . . . the company  
28 is actually located in Sweden.” Despite these facts, the website for SISL solicited

1 investments as recently as May 8, 2009.

2 25. In or about November 2008, one Sun Empire investor was told by his  
3 group leader that his funds had never been invested offshore as represented. This  
4 investor eventually received a refund of his principal after he complained to the  
5 Better Business Bureau and the California Attorney General. He never received  
6 any of the promised profits.

7 26. After this investor received his refund, Sun Empire solicited him to  
8 invest in other programs offered by Sun Empire. The solicitation included a flyer  
9 from Sun Empire entitled "Sun Group to the Rescue." This flyer describes two  
10 different investment options purporting to be fully "guaranteed for the Original  
11 Investment and Profit."

12 27. Option one purported to be a one year investment opportunity  
13 requiring an investor to form an investment club and raise a minimum of \$100,000.  
14 The leader of the investment club was promised 3% commissions per year of the  
15 amount raised. Further, each participant in the club was guaranteed 12% per year  
16 returns. The flyer indicated that the investment was fully guaranteed for "the  
17 original investment and profit."

18 28. Option two purported to be a four-year investment opportunity  
19 requiring an investor to form an investment club and raise a minimum of \$100,000.  
20 The flyer stated that the investors in the club would double their money in four  
21 years and the club leader would receive 3% of the amount raised each year.

22 **B. Sun Group Presentations to Potential Investors**

23 29. Nguyen and Johnson solicited investors to invest in Sun Group and  
24 SISL. Nguyen and Johnson spoke to Sun Empire "investment club" leaders and  
25 others at investment presentations in the Sun Group offices, the Desert Palms  
26 Hotel, and other locations. Nguyen and Johnson encouraged club leaders to  
27 become millionaires by finding investors to invest in Sun Group's guaranteed  
28 programs. Nguyen also encouraged club leaders to find investors who were



1 unemployed or recently bankrupt. According to Nguyen, such investors could  
2 improve their situation by borrowing money and investing with Sun Group.  
3 Several groups of investors invested several million dollars in purported high-  
4 interest rate certificates of deposit issued by SISL.

5 30. For example, on August 26, 2008, McCoy introduced Johnson to a  
6 group of investors as the vice president and chief operations officer of the Sun  
7 International investment group. The presentation was made to not-for-profit  
8 groups. Johnson told these potential investors that Sun Group's goal was to help  
9 people achieve a better life. He encouraged potential investors to pool together  
10 their funds, as other groups of investors had done for Proctor, to meet Sun Group's  
11 minimum investment requirements. Johnson told potential investors that they  
12 could double their earnings; that if they invested in Sun Group, Sun Group would  
13 match their investment; and that they would earn many times more than 10% per  
14 year returns. Then SISL issued purported certificates of deposit, claiming to  
15 represent the investors' investments with SISL, which were signed by Nguyen as  
16 CEO. Nguyen and Johnson told investor that their investments were "guaranteed"  
17 by SISL.

18 **C. Presentation by ECAM, Proctor, and McCoy to a Group of Potential**  
19 **Investors**

20 31. On January 19, 2009, Proctor and McCoy on behalf of ECAM, made  
21 a presentation to a group of potential investors. During this presentation, Proctor  
22 told investors this presentation was the grand opening of ECAM, which was  
23 designed to help investors enter the high-yield investment market in a safe and  
24 consistent manner. McCoy stated that Proctor founded ECAM, and also started an  
25 entity called "Sun Capital," which is still purportedly operating and supposedly  
26 providing 250 investors with returns.

27 32. McCoy's presentation outlined several programs offered by ECAM.  
28 McCoy described the first program as the College Advantage Program ("CAP"),

1 which allows an investor to invest \$5,000 and, in the case of an investor who does  
2 so on behalf of a child who is between the ages of one (1) and nine (9) years old,  
3 allows the investor to receive \$1,000,000 by the time the investor's child enters  
4 college. McCoy further explained that if the child is older, then the investor would  
5 need to invest \$10,000 to have \$1,000,000 by the time the child enters college.  
6 McCoy further stated that an investor's money doubles every year and the invested  
7 principal never fluctuates.

8 33. McCoy also described a retirement account similar to an IRA or  
9 401K, which, McCoy explained, is a "roll-over" program and does not require  
10 taxes to be paid on the appreciation until retirement. McCoy stated that this  
11 program had an investment return of 4% every month, equaling an annual return  
12 rate of 48%.

13 34. McCoy also described Certificates of Deposits that the organization  
14 could offer that have returns five to ten times higher than those available through  
15 banks. McCoy added that these returns are "guaranteed."

16 35. McCoy stated that the money invested never leaves the account of  
17 ECAM. McCoy claimed ECAM was able to obtain favorable rates for the money  
18 it invested because Proctor uses the large amount of money pooled together from  
19 various investors and obtains better returns as a result. McCoy explained that  
20 Proctor has access to financial vehicles otherwise only available to extremely  
21 wealthy individuals because of the pooled money.

22 36. McCoy explained that individuals interested in ECAM could obtain  
23 one of 125 positions that Proctor has set up in the organization by accumulating  
24 funds to invest in the program. The positions are directly related to the amount of  
25 money a person can obtain from other investors. For example, an "Investment  
26 Club Leader" would need to provide \$250,000 for investment. As a result, the  
27 "Investment Club Leader" would receive 1.75% every month of the \$250,000  
28 brought into ECAM. Other positions include "Branch Manager" (requiring the

1 “Branch Manager” to bring in \$1,000,000) and “Regional Branch Manager.”

2 37. McCoy stated that the return on investments is at least 36% per year  
3 and that the invested assets are protected. She further assured that nothing could  
4 happen to the investments and that the investments are never at risk.

5 38. McCoy explained the requirements necessary to join ECAM. She  
6 stated that an investor must be invited to join, and that currently, the minimum  
7 investment amount is \$10,000. McCoy then stated that this minimum amount is  
8 likely to go up.

9 39. During her presentation, McCoy also stated that the scheme was  
10 legitimate based upon registration pursuant to “Regulation D of the Securities Act  
11 of the 1930s and 1940s.”

12 40. McCoy then introduced Proctor as the next speaker. Proctor stated  
13 that the retirement program was currently open and that the program could fill up  
14 at any time, as investors are coming in quickly. Proctor claimed that the retirement  
15 program has a return of 4% per month, which could only be taxed if the money is  
16 removed from the program. Proctor further stated that the minimum investment  
17 amount for the retirement program was \$50,000.

18 **D. The Defendants Misrepresented Promised Returns And Use Of Investor**  
19 **Proceeds**

20 41. The Defendants promised returns such as \$35,000 per month or 36%  
21 per year, which are virtually impossible to guarantee through legitimate  
22 investments. In fact, investors did not receive these returns.

23 42. Investor proceeds were not used for the promised purposes. First,  
24 Defendants’ promises of investments involving SISL were false. According to the  
25 California Department of Financial Institutions, Sun Investment Savings and Loan  
26 does not exist at the business location alleged by defendants and was not  
27 authorized by the state to do business as a financial institution. SISL is registered  
28 with the Swedish Companies Registration Office as a “sparkassa.” A sparkassa is



1 not a bank and is not licensed for financial activity in Sweden. A sparkassa can  
2 have a maximum of 1000 members; all members must be natural persons;  
3 companies are not allowed. A sparkassa is not open to everyone; to become a  
4 member one must belong to a limited group of persons, and that group must be  
5 specified under Swedish statutes. A sparkassa is only allowed to take deposits  
6 from members, and deposits are limited to SEK 50 000 per member, which is  
7 approximately \$4,000 U.S. dollars.

8 43. Second, investors fund were not invested offshore as represented,  
9 according to a what an investor was told by his group leader in November 2008.

10 44. Third, Defendants did not pool investor funds into a “super  
11 corporation” as they had represented.

12 45. Fourth, Defendants did not develop a system to “guarantee” profitable  
13 returns. Instead, they paid earlier investors with money raised from later investors,  
14 in an undisclosed Ponzi-like scheme.

15 46. Finally, money from investors was not used as represented. Some  
16 investor money went into accounts in the name of Empire Club, Inc. – a Proctor-  
17 controlled entity – instead of going into foreign investments, CD’s, or other  
18 promised forms of investment. Based on a review of Empire Club’s bank records,  
19 Sun Empire investor funds were wired to Empire Club’s bank account. Proctor is a  
20 signatory on the Empire Club account.

21 47. Funds in the Empire Club account did not go to promised investments,  
22 but instead were at least partially disbursed to related companies owned and  
23 controlled by Proctor. Some disbursements from the Empire Club account went to  
24 Sun Empire and ECAM. Other disbursements went to unrelated Proctor-controlled  
25 entities. For example, the Empire Club account disbursed \$1,421,572 to an  
26 account in the name of D’Quadrant Strategies, a Nevada LLC managed by Proctor  
27 and another individual. Proctor is a signatory on the D’Quadrant Strategies bank  
28 account. Records from the D’Quadrant bank account for the same period indicate

1 that 100% of the deposits into the D'Quadrant bank account were from the Empire  
2 Club account and almost 50% of the disbursements from the D'Quadrant bank  
3 account were made to Baja Sand and Gravel, an apparent construction company  
4 managed by Proctor and others and located at the same address as D'Quadrant.

5 48. Moreover, Sun Empire investor funds were deposited into an account  
6 in the name of Sun Commerce and Investment. Significant funds from the Sun  
7 Commerce and Investment bank account were spent at retail outlets. In addition,  
8 some investors funds were used to pay Nguyen's monthly mortgage, travel  
9 expenses, and were paid to related companies owned and controlled by Nguyen.  
10 Nguyen was the signatory on the Sun Commerce and Investment account.

11 **E. SISL's Subsequent Disclaimer and Efforts to Lull Investors**

12 49. After the Commission filed its action against Sun Empire, ECAM,  
13 Proctor, and McCoy, SISL's website posted a "disclaimer," disassociating it from  
14 those four defendants. The disclaimer stated, in part, "Recently a number of  
15 international individuals or commercial entities that engage in illegal or unethical  
16 business practice had claimed that they are representatives of or in association with  
17 Sun Investment Savings and Loan, using our name and reputation to mislead and  
18 scam potential investors. . . . We have just been informed that there are  
19 individuals in California who were charged as scammers and have engaged in  
20 scamming business and attached our name to a part of their advertisement without  
21 our approval or knowledge . . . . The Management Team of Sun Investment  
22 Savings and Loan confirms with our members that your investment at our firm is  
23 safe and managed by our professional team with full responsibility and integrity."

24 50. The statements distancing SISL from Sun Empire are false. Nguyen,  
25 the CEO of SISL and Sun Group, made presentations to investors, including Sun  
26 Empire investors, about investing in SISL and Sun Group. Moreover, SISL issued  
27 at least one purported \$1 million certificate of deposit to Sun Empire investors.  
28 That purported certificate of deposit is signed by Nguyen.





1 54. By engaging in the conduct described above, the defendants violated,  
2 and unless restrained and enjoined will continue to violate, Section 17(a) of the  
3 Securities Act, 15 U.S.C. § 77q(a).

4 **SECOND CLAIM FOR RELIEF**

5 **Fraud in Connection With The Purchase or Sale of Securities**

6 **Violations of Section 10(b) of the Exchange Act and Rule 10b-5 Thereunder**

7 **(Against All Defendants)**

8 55. The Commission realleges and incorporates by reference paragraphs 1  
9 through 51 above.

10 56. The Defendants, and each of them, by engaging in the conduct  
11 described above, directly or indirectly, in connection with the purchase or sale of a  
12 security, by the use of means or instrumentalities of interstate commerce, of the  
13 mails, or of the facilities of a national securities exchange, with scienter:

- 14 a. employed devices, schemes, or artifices to defraud;
- 15 b. made untrue statements of a material fact or omitted to state a  
16 material fact necessary in order to make the statements made, in  
17 the light of the circumstances under which they were made, not  
18 misleading; or
- 19 c. engaged in acts, practices, or courses of business which  
20 operated or would operate as a fraud or deceit upon other  
21 persons.

22 57. By engaging in the conduct described above, the Defendants violated,  
23 and unless restrained and enjoined will continue to violate, Section 10(b) of the  
24 Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5 thereunder, 17 C.F.R.  
25 § 240.10b-5.

26 ///

27 ///

28 ///

1 **THIRD CLAIM FOR RELIEF**

2 **Unregistered Offer and Sale of Securities**

3 **Violations of Sections 5(a) and 5(c) of the Securities Act**

4 **(Against All Defendants)**

5 58. The Commission realleges and incorporates by reference paragraphs 1  
6 through 51 above.

7 59. All of the Defendants, and each of them, by engaging in the conduct  
8 described above, directly or indirectly, made use of means or instruments of  
9 transportation or communication in interstate commerce or of the mails, to offer to  
10 sell or to sell securities, or to carry or cause such securities to be carried through  
11 the mails or in interstate commerce for the purpose of sale or for delivery after  
12 sale.

13 60. No registration statement has been filed with the Commission or has  
14 been in effect with respect to any of the offerings alleged herein.

15 61. By engaging in the conduct described above, all of the Defendants  
16 violated, and unless restrained and enjoined will continue to violate, Sections 5(a)  
17 and 5(c) of the Securities Act, 15 U.S.C. §§ 77e(a) and 77e(c).

18 **FOURTH CLAIM FOR RELIEF**

19 **Failure to Register as a Broker-Dealer**

20 **Violations of Section 15(a) of the Exchange Act**

21 **(Against All Defendants)**

22 62. The Commission realleges and incorporates by reference paragraphs 1  
23 through 51 above.

24 63. Defendants, and each of them, by engaging in the conduct described  
25 above, directly or indirectly, made use of the mails or means or instrumentalities of  
26 interstate commerce to effect transactions in, or to induce or attempt to induce, the  
27 purchase or sale of securities, without being registered as brokers or dealers in  
28 accordance with Section 15(a) of the Exchange Act, 15 U.S.C. § 78o(a).





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**V.**

Order each of the Defendants to pay civil penalties under Section 20(d) of the Securities Act, 15 U.S.C. § 77t(d), and Section 21(d)(3) of the Exchange Act, 15 U.S.C. § 78u(d)(3).

**VI.**

Retain jurisdiction of this action in accordance with the principles of equity and the Federal Rules of Civil Procedure in order to implement and carry out the terms of all orders and decrees that may be entered, or to entertain any suitable application or motion for additional relief within the jurisdiction of this Court.

**VII.**

Grant such other and further relief as this Court may determine to be just and necessary.

DATED: May 12, 2009

/s/ Molly M. White  
MOLLY M. WHITE  
Attorney for Plaintiff  
Securities and Exchange Commission

**PROOF OF SERVICE**

I am over the age of 18 years and not a party to this action. My business address is:

U.S. SECURITIES AND EXCHANGE COMMISSION, 5670 Wilshire Boulevard, 11th Floor, Los Angeles, California 90036-3648

Telephone No. (323) 965-3998; Facsimile No. (323) 965-3908.

On May 12, 2009, I caused to be served the document entitled **[PROPOSED] SECOND AMENDED COMPLAINT** on all the parties to this action addressed as stated on the attached service list:

**OFFICE MAIL:** By placing in sealed envelope(s), which I placed for collection and mailing today following ordinary business practices. I am readily familiar with this agency's practice for collection and processing of correspondence for mailing; such correspondence would be deposited with the U.S. Postal Service on the same day in the ordinary course of business.

**PERSONAL DEPOSIT IN MAIL:** By placing in sealed envelope(s), which I personally deposited with the U.S. Postal Service. Each such envelope was deposited with the U.S. Postal Service at Los Angeles, California, with first class postage thereon fully prepaid.

**EXPRESS U.S. MAIL:** Each such envelope was deposited in a facility regularly maintained at the U.S. Postal Service for receipt of Express Mail at Los Angeles, California, with Express Mail postage paid.

**HAND DELIVERY:** I caused to be hand delivered each such envelope to the office of the addressee as stated on the attached service list.

**FEDERAL EXPRESS:** By placing in sealed envelope(s) designated by Federal Express with delivery fees paid or provided for, which I deposited in a facility regularly maintained by Federal Express or delivered to a Federal Express courier, at Los Angeles, California.

**ELECTRONIC MAIL:** By transmitting the document by electronic mail to the electronic mail address as stated on the attached service list.

**FAX:** By transmitting the document by facsimile transmission. The transmission was reported as complete and without error.

**(Federal)** I declare under penalty of perjury that I am a member of the bar of this Court and that the foregoing is true and correct.

Date: May 12, 2009

/s/ Molly M. White  
Molly M. White

1                                    **SEC v. SUN EMPIRE, LLC, et al.**  
2                                    **United States District Court – Central District of California**  
3                                    **Case No. SACV 09-399 DOC (RNBx)**  
4                                    **(LA-3629)**

5                                    **SERVICE LIST**

6                                    Randy S. Grossman, Esq.  
7                                    Jones Day  
8                                    12265 El Camino Real, Suite 200  
9                                    San Diego, CA 92130-4096  
10                                    Email: [rsgrossman@jonesday.com](mailto:rsgrossman@jonesday.com)  
11                                    ***Attorney for Defendants Delilah A. Proctor, Empire Capital Asset***  
12                                    ***Management, and Sun Empire LLC***

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14                                    McKenna Long & Aldridge LLP  
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18                                    ***Attorney for Defendant Shauntel A. McCoy***

19                                    Richard Weissman, Receiver  
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21                                    Los Angeles, CA 90025  
22                                    Email: [rweissman@rwreceiver.com](mailto:rweissman@rwreceiver.com)  
23                                    ***Permanent Receiver of Sun Empire and ECAM***

24                                    Jonathan Schwartz, Esq. (by U.S. mail only)  
25                                    4640 Admiralty Way, Suite 500  
26                                    Marina del Rey, CA 90292  
27                                    Email: [nasdlaw@aol.com](mailto:nasdlaw@aol.com)  
28                                    ***Attorney for Sunland Investment Club and Sun Commerce and***  
***Investment***

                                      Recommended Services, Inc. (by U.S. mail only)  
                                      Attn: Jason Kuruso, President  
                                      P.O. Box 27740  
                                      Las Vegas, NV 89126

                                      Tycoon Club International, LLC (by U.S. mail only)  
                                      c/o Ernesto G. Rodriguez  
                                      631 W. Katella Avenue, Suite 500  
                                      Anaheim, CA 92802