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UNITED STATES DISTRICT COURT IN CLERKS OFFICE  
DISTRICT OF MASSACHUSETTS

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\_\_\_\_\_) )  
SECURITIES AND EXCHANGE COMMISSION, ) )  
) )  
Plaintiff, ) )  
) )  
v. ) )  
) )  
MARVEL PARTNERS, MARVELPARTNERS.US, ) )  
MARVELPARTNERS.NET, and JOHN DOES, ) )  
NOS. 1-5, ) )  
) )  
Defendants. ) )  
\_\_\_\_\_)

U.S. DISTRICT COURT  
DISTRICT OF MASS.

Civil Action No.

**JURY TRIAL DEMANDED**

**COMPLAINT**

Plaintiff Securities and Exchange Commission (the "Commission") alleges:

**SUMMARY**

1. This is an emergency enforcement action to stop defendants Marvelpartners.us and Marvelpartners.net (the "Marvel Websites"), Marvel Partners (collectively with the Marvel Websites, "Marvel Partners") and John Does Nos. 1-5 ("Does 1-5"), the unknown owners and operators of Marvel Partners, from engaging in an ongoing fraudulent scheme to conduct an unregistered offering of securities over the Internet. The Marvel Websites are Internet websites that are currently soliciting money from investors by falsely claiming that Marvel Partners is affiliated with J.P. Marvel Investment Advisors, Inc. ("J.P. Marvel"), an actual registered investment advisor based in Boston, and by falsely promising exorbitant returns of as much as 138% after only three days.

2. In reality, Marvel Partners has no connection whatsoever to J.P. Marvel. Moreover, Marvel Partners has not registered with the Commission the securities offerings it

purports to be making on the Marvel Websites.

3. By engaging in the acts and practices alleged in this Complaint, Defendants Marvel Partners and Does 1-5 have engaged in and, unless enjoined, will continue to engage in violations of the federal securities laws. Specifically, the conduct of Marvel Partners and Does 1-5 constitutes the unregistered offering of securities in violation of Sections 5(a) and 5(c) of the Securities Act of 1933 (“Securities Act”) [15 U.S.C. §§ 77e(a) and 77e(c)], and fraud in violation of Section 17(a) of the Securities Act and Section 10(b) of the Securities Exchange Act of 1934 (“Exchange Act”) [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5].

4. Accordingly, the Commission seeks: (i) entry of a permanent injunction prohibiting Marvel Partners and Does 1-5 from further violations of the relevant provisions of the federal securities laws; (ii) disgorgement of ill-gotten gains and unjust enrichment of Marvel Partners and Does 1-5, plus prejudgment interest; and (iii) the imposition of civil monetary penalties.

5. In addition, because this fraud is ongoing and because of the danger that investor funds will continue to be accumulated by Marvel Partners and will be dissipated, the Commission seeks entry of a temporary restraining order and a preliminary injunction that will: (i) prohibit Marvel Partners and Does 1-5 from continuing to violate the relevant provisions of the federal securities laws, (ii) freeze the funds of Marvel Partners and Does 1-5, including any funds held by any affiliated entities, as well as any other funds obtained from investors, and otherwise maintain the *status quo* pending final resolution of this action, (iii) require the repatriation of funds obtained from United States investors and transferred overseas, (iv) require Marvel Partners and Does 1-5 to submit an accounting of investor funds and other assets in their

possession, (v) prevent Marvel Partners and Does 1-5 from destroying relevant documents, (vi) set a schedule for expedited discovery, and (vii) order that the Defendants remove from the Marvel Websites all misrepresentations and all statements soliciting investments in unregistered offerings of investments by Marvel Partners, as described in this Complaint, and prohibit Defendants from continuing to accept or deposit investor funds.

### **JURISDICTION**

6. The Commission is an agency of the United States of America established by Section 4(a) of the Exchange Act [15 U.S.C. § 78d(a)].

7. This Court has jurisdiction over this action pursuant to Sections 20 and 22 of the Securities Act [15 U.S.C. §§ 77t and 77v] and Sections 21 and 27 of the Exchange Act [15 U.S.C. §§ 78u and 78aa]. Many of the acts and practices alleged in this Complaint occurred in this District.

8. In connection with the conduct described in this Complaint, Marvel Partners and Does 1-5 directly or indirectly made use of the mails or the means or instruments of transportation and communication in interstate commerce.

### **DEFENDANTS**

9. **Marvelpartners.us** and **Marvelpartners.net** are the Internet domain names for the websites that contain the fraudulent and unregistered offering of securities described in this Complaint.

10. **Marvel Partners** is the entity offering the investment programs described on the Marvel Websites.

11. **John Does Nos. 1-5** are unknown individuals and/or groups of individuals responsible for and/or controlling the Marvel Websites and any other investment program offered by Marvel Partners. Defendants Does 1-5 include the individuals responsible for maintaining, organizing, and funding the Marvel Websites, as well as those persons responsible for constructing and advertising the investment programs offered by Marvel Partners.

**THE FRAUDULENT AND  
UNREGISTERED SECURITIES OFFERINGS**

12. The Marvel Websites are Internet websites that are conducting an unregistered offering of securities for sale to the public by falsely claiming an affiliation with J.P. Marvel and by promising exorbitant returns.

13. On the FAQ pages of the Marvel Websites, Marvel Partners describes itself in the following manner:

**What is Marvel Partners?**

Marvel Partners is an online partner of J.P. Marvel Investment Advisor, a legal offshore investment company incorporated in Boston. We have managed the funds of its clients offline for two years already.

14. J.P. Marvel is an actual registered investment advisor with offices at 265 Franklin Street, Suite 710 in Boston, Massachusetts.

15. On the Marvel Websites, Marvel Partners represents that Marvel Partners is located at Suite 800 in the same building (*i.e.*, 265 Franklin Street in Boston) as J.P. Marvel.

16. Marvel Partners also lists J.P. Marvel among its “partners” and includes a link that sends individuals to J.P. Marvel’s website.

17. Marvel Partners further represents that “we provide state tax free investment facilities for our partners.”

18. In reality, Marvel Partners has no affiliation whatsoever to J.P. Marvel and never has. Marvel Partners has never managed the funds of J.P. Marvel's clients. It has also never provided "state tax free investment facilities" for J.P. Marvel. Further, Marvel Partners is not located at 265 Franklin Street in Boston.

19. Marvel Partners represents that it is a regulated entity that provides bond and cash management services as well as investment programs that involve trading on the foreign exchange market ("forex"). More specifically, it states:

**Shortly about us**

Our company set up its business in the field of investment two years ago and is enjoying the regulation rights since 7<sup>th</sup> of April 2008. We work both with organizations involved in investment as well as with their intermediaries and we also have strong business relations with international clients. The services we provide include bond and cash management as well as high revenue structures rationalization by means of investment level tools.

**Why Forex Trading?**

The reason is – a lot of people trying to make additional income with some investment programs or by trading on the forex market. The problem is – they do not have an enjoyable experience and they loose [sic] their money after some time. Most of the people who were involved in forex lost their money since they were not prepared morally. It is a very hard thing to do for a person since only 1-5 percent of all the people trading on forex are making real profit. Of course this does not mean that you can not be one of those 1-5 percent! Our trading specialists will help you to make stable profits from the forex market.

20. On the Marvel Websites, Marvel Partners offers three investment plans, all of which promise exorbitant returns. With an investment of \$20 to \$300, Marvel Partners guarantees a 104% return after one day under its "Marvel Pro 1" plan; with an investment of \$301 to \$2000, Marvel guarantees a 110% return after two days under its "Marvel Pro 2" plan; and with an investment of \$2001 to \$10,000, Marvel guarantees a 138% return after three days under its "Marvel Pro 3" plan.

21. Marvel Partners represents that “[w]ith our Guaranteed secure deposit, you can be sure that the return on your investment is guaranteed.”

22. Marvel Partners requires that all investments be made by sending funds to Marvel Partners through an Internet service called Liberty Reserve, a Costa-Rican entity which facilitates electronic payments over the Internet.

23. Marvel Partners represented that as of December 1, 2008, it had 503 “members” who had invested a total of \$25,750.

24. On the Marvel Websites, Marvel Partners refers to each investment with Marvel Partners as an “investment contract” that cannot be cancelled once the investment is made.

25. The investments Marvel Partners purports to offer for sale are securities under Section 2(a)(1) of the Securities Act and Section 3(a)(10) of the Exchange Act.

26. Marvel Partners’ offering of investment programs, including but not limited to Marvel Pro 1, Marvel Pro 2, and Marvel Pro 3, has not been registered with the Commission as required by Section 5 of the Securities Act. Nor has any form relating to any possible exemption from the registration requirements of Section 5 of the Securities Act been filed with the Commission.

27. In addition, Marvel Partners is not registered as an investment adviser with the Commission.

**NEED FOR EMERGENCY RELIEF**

28. This is an ongoing fraud. The Marvel Websites are currently accessible on the Internet, and Marvel Partners and Does 1-5 continue to use the Marvel Websites to offer investments to the public. Potential investors continue to be able to place money in those plans

and programs. Without this Court's action, it is unlikely that Marvel Partners and Does 1-5 will discontinue their fraudulent solicitations.

29. Marvel Partners and Does 1-5 may likely dissipate assets belonging to investors by transferring them outside the Court's jurisdiction or to bank accounts maintained by affiliated companies.

30. The emergency relief requested below is necessary in order to prevent further violations of the federal securities laws and further harm to investors, including further dissipation of investor assets.

31. The violations set forth in this Complaint involve fraud, deceit, manipulation, or deliberate or reckless disregard of a regulatory requirement and such violations directly or indirectly resulted in substantial losses or created a significant risk of substantial losses to other persons.

**FIRST CLAIM FOR RELIEF**  
**Offer and Sale of Unregistered Securities**  
**(Violation of Sections 5(a) and 5(c) of the Securities Act)**

32. The Commission repeats and incorporates by reference the allegations in paragraphs 1-31 of the Complaint as if set forth fully herein.

33. The units, or shares, of the plans and programs offered by Marvel Partners, and any investment contracts related to them, including, but not limited to the investments in the Marvel Pro 1, Marvel Pro 2, and Marvel Pro 3 plans, are securities within the meaning of Section 2(a)(1) of the Securities Act [15 U.S.C. § 77b(a)(1)] and Section 3(a)(10) of the Exchange Act [15 U.S.C. § 78c(a)(10)]. No registration statement has been filed with respect to the offering of these securities, and no exemption from registration has been available.

34. Marvel Partners and Does 1-5, directly or indirectly: (a) have made, are making, and are about to make use of the means or instruments of transportation or communication in interstate commerce or of the mails to sell securities, through the use or medium of a prospectus or otherwise, as to which no registration statement was in effect and for which no exemption from registration was available, and/or for the purpose of sale or for delivery after sale, have carried or caused to be carried, are carrying or causing to be carried, and are about to carry or cause to be carried through the mails or in interstate commerce, by means or instruments of transportation, securities for which no registration statement was in effect and for which no exemption from registration was available; and/or (b) have made, are making, and are about to make use of the means or instruments of transportation or communication in interstate commerce or of the mails to offer to sell, through the use or medium of a prospectus or otherwise, securities as to which no registration statement had been filed and for which no exemption from registration was available.

35. As a result, Marvel Partners and Does 1-5 have violated, are violating and, unless enjoined, will continue to violate Sections 5(a) and 5(c) of the Securities Act [15 U.S.C. §§ 77e(a) and 77e(c)].

**SECOND CLAIM FOR RELIEF**  
**Fraud in the Offer and Sale of Securities**  
**(Violation of Section 17(a) of the Securities Act)**

36. The Commission repeats and incorporates by reference the allegations in paragraphs 1-35 of the Complaint as if set forth fully herein.

37. Marvel Partners and Does 1-5, directly or indirectly, acting intentionally, knowingly or recklessly, in the offer or sale of securities by use of the means or instruments of



transportation or communication in interstate commerce or by use of the mails: (a) have employed, are employing, and are about to employ devices, schemes or artifices to defraud; (b) have obtained, are obtaining, and are about to obtain money or property by means of untrue statements of material fact or omissions to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; or (c) have engaged, are engaging, and are about to engage in transactions, practices or courses of business which operate as a fraud or deceit upon the purchasers of the securities.

38. As a result, Marvel Partners and Does 1-5 have violated, are violating and, unless enjoined, will continue to violate Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)].

**THIRD CLAIM FOR RELIEF**

**Fraud in Connection with the Purchase and Sale of Securities  
(Violation of Section 10(b) of the Exchange Act and Rule 10b-5)**

39. The Commission repeats and incorporates by reference the allegations in paragraphs 1-38 of the Complaint as if set forth fully herein.

40. Marvel Partners and Does 1-5, directly or indirectly, acting intentionally, knowingly or recklessly, by use of the means or instrumentalities of interstate commerce or of the mails, in connection with the purchase or sale of securities: (a) have employed, are employing, and are about to employ devices, schemes or artifices to defraud; (b) have made, are making, and are about to make untrue statements of material fact or have omitted, are omitting, and are about to omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; or (c) have engaged, are engaging, and are about to engage in acts, practices or courses of business which operate as a fraud or deceit upon certain persons.

41. As a result, Marvel Partners and Does 1-5 have violated, are violating and, unless enjoined, will continue to violate Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 promulgated thereunder [17 C.F.R. § 240.10b-5].

**PRAYER FOR RELIEF**

WHEREFORE, the Commission respectfully requests that this Court:

A. Enter a temporary restraining order which:

1. Restrains Marvel Partners and Does 1-5 and each of their officers, agents, servants, employees, attorneys, and those persons in active concert or participation with them who receive actual notice of the order by personal service or otherwise, from directly or indirectly violating:

- a. Sections 5(a) and 5(c) of the Securities Act [15 U.S.C. §§ 77e(a) and 77e(c)];
- b. Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)]; and
- c. Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5];

2. Requires Marvel Partners and Does 1-5, and each of their officers, agents, servants, employees, attorneys, and those persons in active concert or participation with them who receive actual notice of the order by personal service or otherwise, including facsimile transmission, electronic mail or overnight delivery service, to hold and retain all funds and other assets held for the direct or indirect benefit, or under the direct or indirect control, of Marvel Partners and Does 1-5, in whatever form such funds and other assets may presently exist, to prevent any withdrawal, sale, payment, transfer, dissipation, assignment, pledge, alienation, encumbrance, diminution in value or other disposal of any such funds and other assets, including

incurring charges or cash advances on any credit card, and to freeze such funds and other assets pending further order of this Court, and further require all banks, brokerage firms, other financial institutions, Internet payment agents, and other persons and entities which receive actual notice of the order by personal service or otherwise, including by facsimile transmission, electronic mail or overnight delivery service, and which hold any funds or other assets for the direct or indirect benefit, or under the direct or indirect control, of Marvel Partners and Does 1-5 in whatever form such assets may presently exist, to hold and retain within their control and prohibit the withdrawal, sale, payment, transfer, dissipation, assignment, pledge, alienation, encumbrance, diminution in value or other disposal of any such funds and other assets;

3. Requires that all persons who hold or possess funds or other assets obtained directly or indirectly in connection with solicitations on the websites “marvelpartners.net” or “marvelpartners.us,” or under the name of “Marvel Partners” or any of its affiliates, in whatever form such funds or other assets may presently exist and wherever located, hold and retain such funds and other assets, prevent any withdrawal, sale, payment, transfer, dissipation, assignment, pledge, alienation, encumbrance, diminution in value or other disposal of any or all such funds or other assets, and freeze such funds and other assets pending further order of this Court;

4. Requires that Marvel Partners and Does 1-5, and each of their officers, agents, servants, employees and attorneys, and those persons in active concert or participation with them who receive actual notice of this Order by personal service or otherwise, including facsimile transmissions, electronic mail or overnight delivery service, and each of them, shall, within five (5) days of receiving actual notice of this Order, take such steps as are necessary to

repatriate and deposit into the registry of the Court in an interest bearing account, any and all funds or assets that presently may be located outside of the United States that were obtained directly or indirectly from investors;

5. Restrains Marvel Partners and Does 1-5 and each of their officers, agents, servants, employees and attorneys, and those persons in active concert or participation with them who receive actual notice of the order by personal service or otherwise, including facsimile transmission, electronic mail or overnight delivery service, from accepting, or depositing into any account in which any of them has a direct or indirect beneficial interest or over which they exercise direct or indirect control, all funds or other assets obtained in connection with solicitations on the websites “marvelpartners.net” or “marvelpartners.us,” or under the name of “Marvel Partners” or any of its affiliated entities;

6. Requires Marvel Partners and Does 1-5 to submit in writing and serve upon the Commission, within three (3) business days following service of the order, a written accounting identifying:

- a. The name, address, amount, and date of payment and present location of proceeds for each and every individual who made payments in connection with solicitations on the websites “marvelpartners.net” or “marvelpartners.us,” or under the name of “Marvel Partners” or any affiliated entities;
- b. Assets of every type and description with a value of at least one thousand dollars (\$1,000) held for the direct or indirect benefit, or subject to the direct or indirect control, of Marvel Partners or Does 1-5, whether in the U.S. or elsewhere;
- c. All transfers of funds or other assets of one thousand dollars (\$1,000) or more in funds obtained in connection with solicitations on the websites “marvelpartners.net” or “marvelpartners.us,” or under the name of “Marvel Partners” or any affiliated entities,

including the names and locations of all persons, entities and accounts to and from which the transfers were made, the dates, amounts, and purposes of the transfers and the identity and location of any assets derived from such funds;

- d. All accounts maintained at any bank, broker-dealer, other financial institution, or Internet payment agent in the U.S. or elsewhere for the direct or indirect benefit, or subject to the direct or indirect control of Marvel Partners or Does 1-5 at any time since April 1, 2008.

7. Requires Marvel Partners and Does 1-5 to submit in writing to the Commission, within three (3) business days following service of the order, a list of all street and mailing addresses (including but not limited to postal box numbers), telephone or facsimile transmission numbers (including numbers of pagers and mobile telephones), electronic mail addresses, safety deposit boxes and storage facilities used by Marvel Partners or Does 1-5 or under their direct or indirect control, at any time since April 1, 2008;

8. Restrains Marvel Partners and Does 1-5 and each of their officers, agents, servants, employees and attorneys and those persons in active concert or participation with them who receive actual notice of the order by personal service or otherwise, including by facsimile transmission, electronic mail or overnight delivery service, from destroying, mutilating, concealing, altering, or disposing of any items, including but not limited to any books, records, documents, correspondence, contracts, agreements, assignments, obligations, tape recordings, computer media or other property relating to Marvel Partners and Does 1-5 or any of their securities, financial, or other business dealings, including but not limited to the websites “marvelpartners.net” or “marvelpartners.us”;

9. Provides that the parties may commence discovery forthwith, without any time constraints imposed by the Federal Rules of Civil Procedure or the Local Rules of this District, that all parties shall respond to any discovery request, including any notice of deposition or document request, within three (3) business days following service thereof, and that all depositions may be taken upon three (3) business days notice and all depositions of parties may be taken in Boston, Massachusetts;

10. Provides that, pursuant to Rule 5 of the Federal Rules of Civil Procedure, service of all pleadings and other papers to be served in this action, except the Summons and Complaint, may be made personally, by facsimile transmission, by overnight delivery service, or by electronic mail as this Court may direct by further order and that service of the Summons and Complaint shall be made pursuant to Rule 4 of the Federal Rules of Civil Procedure or as this Court may further order;

11. Requires Marvel Partners and Does 1-5 to serve the statements and accountings required by the order and all other filings in this action on counsel for the Commission by messenger, overnight delivery service, or by facsimile to Luke Cadigan, Esq., U.S. Securities and Exchange Commission, 33 Arch Street, 23<sup>rd</sup> Floor, Boston, Massachusetts 02110, facsimile number (617) 573-4590; and

12. Requires Marvel Partners, [marvelpartners.us](http://marvelpartners.us), [marvelpartners.net](http://marvelpartners.net), and John Does 1-5 to remove from the fraudulent Marvel Websites all misrepresentations and all statements soliciting investments in unlawfully unregistered offerings of investments by Marvel Partners, as described in the Complaint, and to submit, within three (3) business days following service of the order upon them, a certification in writing that they have done so;

B. Enter a preliminary injunction extending the terms of the temporary restraining order described above;

C. Enter a permanent injunction restraining Marvel Partners and Does 1-5 and each of their officers, agents, servants, employees, attorneys, and those persons in active concert or participation with them who receive actual notice of the order or injunction by personal service or otherwise, from directly or indirectly engaging in the conduct described above, or in conduct of similar purport and effect, in violation of:

1. Sections 5(a) and 5(c) of the Securities Act [15 U.S.C. §§ 77e(a) and 77e(c)],
2. Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)], and
3. Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5];

D. Require Marvel Partners and Does 1-5 to disgorge their ill-gotten gains and unjust enrichment, including prejudgment interest, with said monies to be distributed in accordance with a plan of distribution to be ordered by the Court;

E. Order Marvel Partners and Does 1-5 to pay appropriate civil monetary penalties pursuant to 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)];

F. Retain jurisdiction over this action to implement and carry out the terms of all orders and decrees that may be entered; and

G. Award such other and further relief as the Court deems just and proper.

Respectfully submitted,

**SECURITIES AND EXCHANGE  
COMMISSION,**

By its attorneys,



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Dated: December 4, 2008