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**UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY**

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:
SECURITIES AND EXCHANGE :
COMMISSION, :
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Plaintiff, :
:
- against - :
:
JAMES M. FARINELLA, INTEGRATED :
CAPITAL PARTNERS, INC., ANTHONY :
AMADO, EQUITIES AWARENESS :
GROUP, LLC, and CARLO PALOMINO :
:
Defendants. :
----- X

ECF CASE
JURY TRIAL
DEMANDED

COMPLAINT

Plaintiff Securities and Exchange Commission (the “Commission”), for its complaint against Defendants James M. Farinella (“Farinella”) (who, upon information and belief, resides at 52 Tree Top Drive, Springfield, NJ 07081), Integrated Capital Partners, Inc. (“ICP”) (which, upon information and belief, has its principal place of business at 784 Morris Turnpike Suite 334, Short Hills, NJ 07078), Anthony Amado (“Amado”) (who, upon information and belief, resides at 5 Lawrence Street, Unit 453, Bloomfield, NJ 07003), Equities Awareness Group, LLC

(“EAG”) (which, upon information and belief, has its principal place of business at 115 River Road, Suite 151, Edgewater, NJ 07020), and Carlo Palomino (“Palomino”) (who, upon information and belief, resides at 607 Clifton Avenue, Newark, NJ 07104) (collectively, “Defendants”) alleges:

SUMMARY OF ALLEGATIONS

1. Between approximately June 2012 and December 2012 (the “Relevant Period”), Defendants engaged in a fraudulent, and lucrative, multi-phased scheme to manipulate trading in, and dump shares of, the common stock of a thinly-traded microcap issuer called Pazoo, Inc. (“Pazoo” or the “Company”).

2. In the first phase of the scheme, Farinella installed an associate, Individual A, as CEO of Pazoo. Through his entity, ICP, he also acquired ownership or control of nearly all of Pazoo’s unrestricted shares of common stock before Pazoo stock began trading in the market. By June 27, 2012, the first day Pazoo shares traded, Farinella owned or controlled approximately 98% of Pazoo’s unrestricted common stock.

3. In the second phase of the scheme, Farinella met with EAG principal Amado and EAG employee Palomino in or around July 2012 (the “July 2012 Meeting”). EAG is a New Jersey limited liability company that engaged stock promoters and stock promotion websites and newsletters on behalf of microcap issuers.

4. At the July 2012 Meeting, Defendants developed a plan for Farinella to “dump” or sell his Pazoo shares at an inflated price. They decided to manipulate trading in Pazoo common stock to create the appearance of an active trading market, in order to induce others to purchase Pazoo shares, and therefore provide the buying demand Farinella needed to dump his Pazoo shares. Defendants thereafter colluded to create the appearance of an active trading market

in Pazoo common stock by (1) engaging in manipulative, coordinated trades of Pazoo common stock for the purpose of creating the appearance of liquidity and active trading in Pazoo and raising the price of Pazoo shares, and (2) promoting Pazoo on the internet and through emails by supposedly-unrelated third parties, like EAG and other firms engaged by EAG.

5. In the third phase of the scheme, which occurred from July 18, 2012 to August 17, 2012 (the “Coordinated Trading Period”), Farinella, Amado, and Palomino, along with associates—through brokerage accounts that they and their associates controlled—engaged in coordinated and manipulative trading, including matched trading,¹ in Pazoo common stock for the purpose of creating the appearance of liquidity and active trading in Pazoo, and to raise the price of Pazoo shares, in advance of their planned promotional campaign.

6. Prior to July 18, 2012, Pazoo’s stock traded on only one day (June 27, 2012). Pazoo’s stock price opened at \$.10 on July 18, 2012, and closed at \$.315 on August 17, 2012, a 215% increase in price during the Coordinated Trading Period with an average daily market volume of 175,900 shares.

7. In the fourth phase of the scheme, which occurred from August 20, 2012 to October 31, 2012 (the “Promotional Period”), EAG, and other promoters retained by EAG, released a slew of internet and email promotions praising Pazoo and recommending that investors purchase the Company’s common stock. Certain promotions praised Pazoo’s supposedly healthy trading prices and volumes, which only existed because of Defendants’ manipulative and coordinated trading. At the same time as EAG and others released the promotions, Pazoo, through its CEO, issued a series of press releases touting the Company.

¹ Matched trading takes place when a person buys or sells a stock, with knowledge that a substantially similar offsetting transaction is going to be entered into by someone else.

8. Investors who received the promotions had no way of knowing that Defendants: had colluded to manipulate Pazoo stock; had artificially boosted Pazoo's share price and trading volume through manipulative and coordinated trading; had orchestrated the bombardment of promotions recommending Pazoo stock, in part based on its supposedly "healthy" trading prices and volumes; and that Farinella was dumping his shares, for a large profit, into the demand Defendants had created.

9. During the Promotional Period, from August 20 through October 31, 2012, the average daily trading volume more than doubled to 441,422 shares per day and the price of Pazoo stock closed at a high of \$.399 on August 24, 2012. By October 31, 2012, the end of the promotional campaign, Pazoo's stock price collapsed to close at \$.0592.

10. During the Promotional Period, Farinella dumped ICP's Pazoo shares into a robust demand for Pazoo shares, which Defendants created through their manipulative trading and promotional campaign.

11. Between July 18, 2012 and October 31, 2012, the end of the Promotional Period, Farinella—through ICP—sold over 6 million shares of Pazoo common stock for gross proceeds of over \$1 million.

12. By the end of December 2012, Farinella—through ICP—had sold over 8 million shares of Pazoo common stock for gross proceeds of almost \$1.1 million.

13. EAG received \$820,000 in connection with the scheme to manipulate Pazoo's common stock.

14. Beginning in August 23, 2012 and continuing until at least October 2012, Defendants Amado and Palomino profited from the sale of Pazoo shares. During that period, Amado, in a personal brokerage account, sold around 9,500 shares of Pazoo common stock for

gross proceeds of almost \$2,100; an entity owned by Amado sold around 97,000 shares of Pazoo common stock for gross proceeds of at least \$21,000; and Palomino, in a personal account, sold around 88,000 shares of Pazoo common stock for gross proceeds of at least \$32,000..

VIOLATIONS

15. By engaging in the conduct set forth in this Complaint, Defendants violated Sections 17(a)(1) and 17(a)(3) of the Securities Act of 1933 (“Securities Act”) [15 U.S.C. § 77q(a)(1) & (3)]; and Sections 9(a)(1), 9(a)(2), and 10(b) of the Securities Exchange Act of 1934 (“Exchange Act”) [15 U.S.C. §§ 78i(a)(1) & (2), 78j(b)] and Rule 10b-5(a) and (c) thereunder [17 C.F.R. § 240.10b-5].

16. Unless Defendants are permanently restrained and enjoined, they will again engage in the acts, practices, transactions, and courses of business set forth in this Complaint, and acts, practices, transactions, and courses of business of a similar type and object.

NATURE OF THE PROCEEDINGS AND THE RELIEF SOUGHT

17. The Commission brings this action pursuant to the authority conferred upon it 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)].

18. The Commission seeks a final judgment: (a) restraining and permanently enjoining Defendants from engaging in the acts, practices and courses of business alleged against them herein and from committing future violations of the above provisions of the federal securities laws; (b) ordering Defendants to disgorge any ill-gotten gains they received and to pay prejudgment interest thereon; (c) ordering 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)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)]; (d) barring Defendants Farinella, Amado and Palomino from

participating in an offering of penny stock pursuant to Section 20(g) of the Securities Act [15 U.S.C. § 77t(g)] and Section 21(d)(6) of the Exchange Act [15 U.S.C. § 78u(d)(6)]; and (e) ordering such other and further relief as the Court may deem just and proper.

JURISDICTION AND VENUE

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

20. Venue lies in the District of New Jersey pursuant to Section 22(a) of the Securities Act [15 U.S.C. § 77v(a)] and Section 27 of the Exchange Act [15 U.S.C. § 78aa]. Defendants all reside and conduct business in the District of New Jersey and many of the transactions, acts, practices, and courses of business constituting the violations alleged herein occurred within this district.

21. In connection with the transactions, acts, practices, and courses of business alleged in this Complaint, Defendants directly or indirectly have made use of the means and instrumentalities of interstate commerce, or of the mails, or of the facilities of a national securities exchange.

DEFENDANTS

22. **Farinella**, age 50, resides in Springfield, New Jersey. During the Relevant Period, Farinella was director, president, secretary and treasurer of ICP.

23. **ICP** is a Nevada corporation, which is headquartered in Short Hills, New Jersey. It purports to be a business consulting firm. Farinella owns and controls ICP.

24. **Amado**, age 37, resides in Bloomfield, New Jersey. During the Relevant Period, Amado was a principal of EAG.

25. **EAG** is a New Jersey limited liability company formed and co-owned by Amado and another individual to act as a middleman between stock promoters and stock promotion websites and newsletters. During the Relevant Period, EAG had offices in Edgewater, New Jersey.

26. **Palomino**, age 31, resides in Newark, New Jersey. During the Relevant Period, Palomino worked at EAG.

RELATED ENTITY

27. **Pazoo** is a Nevada corporation with its principal offices in Whippany, New Jersey. During the Relevant Period, Pazoo purported to be an online retailer of nutritional food and supplements for people and their pets, and its shares were quoted on the Over the Counter Bulletin Board (“OTC BB”) and OTC Link (previously “OTC Pink”) interdealer quotation systems under the ticker symbol “PZOO.”

FACTS

28. Defendants devised and carried out a multi-phased scheme to manipulate Pazoo common stock and then to profit from this manipulation.

I. Phase I: Farinella Installed Pazoo’s CEO and Acquired 98% of its Unrestricted Shares of Common Stock Before the Company Began Trading in the Market

29. Farinella acquired the vast majority of Pazoo’s unrestricted shares of common stock before the Company even began trading.

30. Pazoo was incorporated in November 2010 under the name IUCSS, Inc. (“IUCSS”).

31. Farinella installed Individual A, a physical therapist with no known experience managing a public company, as CEO of IUCSS in or around 2010.

32. On January 3, 2011, Farinella and ICP entered into an investment agreement with

IUCSS, pursuant to which Farinella agreed to invest at least \$250,000 (up to a maximum of \$500,000) in IUCSS. For its part, among other things, the Company agreed to issue shares of Series A Convertible Preferred (“Preferred Stock”) to ICP at a price of \$.05 per share. Each share of Preferred Stock was convertible into ten shares of common stock and paid a 5% annual dividend. Between January 2011 and June 2012, pursuant to the investment agreement, ICP purchased approximately 5,000,000 shares of Preferred Stock for \$250,000.

33. On May 9, 2011, IUCSS changed its name to Pazoo.

34. On June 1, 2012, ICP entered into a second investment agreement with Pazoo, pursuant to which Farinella agreed to invest at least \$500,000 (up to a maximum of \$1,000,000) in exchange for Preferred Stock at a price of \$.50 per share. Each share of Preferred Stock was convertible into ten shares of common stock and paid a 5% dividend. Between June 1 and August 1, 2012, pursuant to this second investment agreement, ICP purchased 2,000,000 shares of Preferred Stock for \$1,000,000.

35. Beginning in May 2012, Farinella began converting his Preferred Stock into unrestricted shares of Pazoo common stock.

36. On June 27, 2012, Pazoo began trading on OTC BB and OTC Link under the ticker symbol “PZOO.”

37. On June 27, 2012, when Pazoo first started trading, 11,012,000 shares of its common stock were unrestricted. Farinella owned or controlled approximately 10.8 million, or roughly 98%, of the Company’s unrestricted shares.

38. Pazoo did not trade again until July 18, 2012, when the Coordinated Trading Period began.

II. Phase 2: Farinella Hired EAG to “Build a Chart” for, and to Promote, Pazoo

39. After Farinella acquired 98% of Pazoo’s shares of unrestricted common stock, Defendants developed a two-prong approach to create a favorable market into which Farinella could dump his shares. First, Defendants devised a plan of coordinated trading, including matched trading, in Pazoo common stock in order to create the appearance of liquidity, active trading and a higher share price. Second, once Defendants’ coordinated trading generated price and volume levels that made it seem like there was an active market for Pazoo, Defendants’ planned to promote Pazoo through a slew of internet promotions and emails released by supposedly independent third parties, like EAG and other promoters retained by EAG.

40. In about early July 2012, Amado and Palomino met with Farinella and Individual A (Pazoo’s Farinella-installed CEO) at EAG’s office in Edgewater, New Jersey (the aforementioned “July 2012 Meeting”). An associate of Farinella, Individual B, who was a co-owner of EAG, as well as a principal of another stock promotion entity, arranged the meeting among the Defendants.

41. Farinella and Individual A told Amado and Palomino that Pazoo was interested in hiring EAG to do some “marketing” for the company.

42. Farinella told Amado and Palomino that he wanted to hire EAG separately to orchestrate a large scale promotional campaign for Pazoo. Farinella offered EAG a six-figure budget for the campaign but said that, in return, he expected Amado and Palomino to help him “walk up the stock price.” More specifically, Farinella told Amado that he wanted Pazoo to start trading at \$.20 to \$.30, and then to increase incrementally.

43. Although Amado had done business with Farinella in the past, it was his understanding that Farinella typically reserved lucrative six-figure contracts for firms that were

more prominent than EAG. Amado was eager to prove that he and EAG could execute Farinella's market manipulation and promotion scheme.

44. By "walk[ing] up the stock price," Defendants intended to create the appearance of liquidity and an upward price trajectory for Pazoo through coordinated trading, including matched trading, in advance of the stock promotion campaign. Such coordinated, manipulative trading activity preceding a large scale paid promotional campaign is often called "building the chart."

45. On or about July 13, 2012, Pazoo entered into a "financial marketing consulting services agreement" with EAG. Pazoo paid EAG \$50,000 and 3,000,000 shares of restricted stock. Between August and October 2012, Pazoo wired EAG another \$145,000 in connection with two additional marketing agreements.

46. Between August and October, 2012, Farinella (through ICP) wired EAG \$625,000 for the Pazoo promotional campaign.

47. In total, from ICP and Pazoo, EAG received \$820,000 for the Pazoo promotional campaign.

III. Phase 3: ICP, EAG and Their Associates Created the Appearance of a Healthy Trading Market in Pazoo Through Manipulative, Coordinated Trading

48. On June 27, 2012, Pazoo started trading under the symbol "PZOO." Before this, there was no market for Pazoo common stock.

49. After June 27, Pazoo stock did not trade again until July 18, 2012, following the July 2012 Meeting among the Defendants.

50. During the Coordinated Trading Period, beginning on July 18, 2012, Defendants engaged in coordinated, including matched, trading of Pazoo common stock.

51. The purpose of Defendants' coordinated trading activity was two-fold: (1) to

create the appearance of liquidity and active interest in the stock so that investors would see an attractive, recent trading history when they researched the stock during the subsequent promotional period; and (2) to walk up the stock price, while maintaining control over the supply of stock.

52. After the July 2012 Meeting with Farinella, Amado and Palomino told EAG employees that they needed to “get behind” Pazon common stock.

53. EAG maintained a list of phone numbers of individuals to whom EAG employees would send text messages concerning the stocks that EAG was marketing (the “Text List”). The employees were instructed to call the numbers on the Text List to convince recipients to buy Pazon common stock.

54. Amado and Palomino instructed EAG employees to buy Pazon common stock for brokerage accounts they controlled, in the names of the EAG employees’ relatives and various entities. At the direction of Farinella, Amado and EAG employees bought Pazon common stock for the accounts that they controlled and found buyers for blocks of stock Farinella put up for sale at specified prices.

55. Farinella, Amado and Palomino communicated daily or almost daily among themselves regarding the execution of their scheme to manipulate Pazon’s common stock.

56. Farinella, Amado and Palomino took steps to conceal their daily communications regarding the Pazon scheme, including by using disposable or “burner” mobile phones and by avoiding written communications, like email. Periodically, they threw the burner phones away to make it more difficult to track their activity.

57. During the course of the scheme, Farinella came to EAG’s office with his own laptop that he used to trade Pazon.

58. When EAG and its employees started trading the stock in earnest, Farinella called and texted Amado every day saying that he wanted to see more buying. If Farinella saw too much selling, he directed Amado to find out where the sales were coming from and to instruct the sellers to stop selling.

59. As Defendants discussed in the July 2012 Meeting, they coordinated trading in Pazoo common stock until the price of Pazoo reached the \$.20 to \$.30 level that Farinella said he wanted prior to the start of the promotional campaign.

Examples of Coordinated Trading

60. **July 18, 2012**: On July 18, 2012, after Defendants' July 2012 Meeting, the following matched trading occurred:

- A total of 40,000 Pazoo shares traded;
- All 40,000 shares were sold by ICP (Farinella); and
- All 40,000 shares were purchased by one of Farinella's longtime business associates.

61. **July 19, 2012**: Pazoo trading volume increased from 40,000 on July 18 to 1,030,000 on July 19. Farinella, however, was responsible for 99% of the sell-side volume, selling 1,023,000 Pazoo shares at \$.10 per share from an ICP account. A friend and employee of Individual B (the previously mentioned friend of Farinella, who arranged the July 2012 Meeting) bought 500,000 shares for \$.10 per share.

62. **July 20, 2012**: The following day, Farinella sold 463,260 shares from an ICP account at \$.10 per share. An EAG-controlled account in the name of another friend of Individual B, who was also a principal of one of Pazoo's purported business advisors and an independent contractor for EAG, purchased 360,000 shares at \$.10 per share in two trades that matched Farinella's sales. The Internet Protocol ("IP") address used to place the buy order is the same IP address used to place many other EAG-related trades during this period.

63. Also on July 20, 2012, Diamond Class Consulting, an entity owned by Amado, purchased 78,000 shares at \$.10 per share, including 38,000 shares that matched Farinella's July 20 sales.

64. **July 25, 2012**: At 12:53:57, Palomino placed a limit order in a personal account to buy 65,000 Pazon shares at \$.155. Palomino's entire order was filled through a sale from Farinella's ICP account.

65. Later on July 25, 2012, at 3:41:25, an accountant and close friend of Amado ("Individual C"), who shared office space with EAG, placed an order to purchase 2,100 shares at a limit of \$.203. At 3:48:05, 600 shares of Individual C's 2,100 share order were purchased from Farinella's ICP account.

66. Between July 18 and August 20, 2012, numerous accounts engaging in the coordinated trading accessed their brokerage accounts using the same IP addresses. For example, during this time period, Amado, Palomino, Diamond Class Consulting, and other traders associated with Defendants listed below logged in from IP address 24.103.118.34 a total of 233 times. In addition, one of Individual B's friends and Diamond Class Consulting both used 173.70.26.234 to trade Pazon shares between July 18 and August 20, 2012. And the IP address associated with Pazon trades by Palomino is the same IP addresses used by numerous other accounts during the Coordinated Trading Period.

Farinella Also Engaged in Coordinated Trading Between Accounts He Controlled

67. In certain instances, Farinella traded between his own personal account and ICP, in order to further create the false appearance of demand. These trades are known as "wash trades," because no actual change in beneficial ownership occurred.

68. **August 2, 2012**: At 9:16:09 am, Farinella placed an order to sell 25,000 shares at

a limit of \$.271 for an ICP account. At 10:29:26 am, Farinella, using an account in his name, placed an order to buy 50,000 shares at a limit price of \$.28.

69. Also on August 2, 2012, at 10:39:30, Farinella, in his personal account, purchased 10,000 shares of Pazon at \$.275 per share from Farinella's ICP account. At 10:41:59 am, Farinella, in his personal account, purchased 15,000 shares of Pazon at \$.275 per share from Farinella's ICP account.

70. Also on August 2, 2012, orders were entered to buy Pazon shares for an account in the name of Individual B's father. The orders were ultimately filled with stock sold by Farinella on behalf of ICP, as follows:

- At 9:17:21 a.m., Farinella placed an order to sell 100,000 Pazon shares at a limit of \$.296 for ICP's account;
- At 11:12:46 a.m., Individual B's father placed a market order to buy 12,000 Pazon shares in his personal account;
- At 11:12:58 a.m., Individual B's father's account purchased 12,000 Pazon shares at \$.30 per share from Farinella's ICP account;
- At 11:24:32 a.m., Individual B's father placed another market order to buy 3,000 Pazon shares; and
- At 11:27:27 a.m., Individual B's father purchased 3,000 Pazon shares at \$.30 per share from Farinella's ICP account.

71. **August 3, 2012:** Farinella traded with both himself and Individual B as follows:

- At 9:19:12 a.m., Farinella placed an order to sell 55,000 Pazon shares at a limit of \$.296 for ICP's account;
- At 12:52:20 p.m., Individual B, from his entity's account, placed an order to buy 33,000 Pazon shares at a limit price of \$.30 per share;
- At 12:52:54 p.m., Individual B's entity bought 33,000 Pazon shares at \$.30 per share from Farinella's ICP account;
- At 1:07:09 p.m., Farinella placed an order to buy 50,000 Pazon shares at a limit price of \$.30 in his personal account;
- At 1:20:41 p.m., Farinella's personal account purchased 10,000 Pazon shares at \$.30 per share from his own ICP account; and
- At 1:21:23 p.m., Farinella's personal account purchased 12,000 Pazon shares at \$.30 per share from his own ICP account.

72. Farinella also bought Pazon shares on about 11 occasions from July 23 to August

17, 2012, in amounts ranging from 500 to more than 37,000 shares each day, totaling 178,500 shares. His purchases supported Pazoo's stock price.

73. By August 17, 2012, Pazoo closed at \$.315 per share, a 215% increase from the \$.10 per share close on July 18, 2012. Thus, Defendants' manipulative trading more than tripled the stock price. From July 18 to August 17, 2012, the average daily market volume was 175,900 shares. Previously Pazoo traded on only one day, June 27, 2012, for a total of 93,460 shares. ICP accounted for over 50% of total market volume during the chart building period.

IV. Phase 4: Defendants Promoted Pazoo and ICP Dumps for a Large Profit

74. After the Coordinated Trading Period, which lasted from July 18 to August 17, 2012, and inflated Pazoo's price from \$.10 to \$.325 per share, the Promotional Period began. Between August 20 and October 31, 2012, Defendants, both directly through EAG and indirectly via EAG-retained third parties, issued a slew of near daily internet and email promotions recommending the purchase of Pazoo common stock.

75. The majority of the internet and email promotions disclosed that EAG paid for the promotions. They did not, however, mention that EAG (via Amado and Palomino) had manipulated Pazoo stock before the promotions through coordinated trading in EAG-controlled accounts with Farinella. The promotions also did not mention that Farinella acquired the vast majority of Pazoo's unrestricted shares of common stock before Pazoo ever began trading, and then retained EAG to both coordinate trading in the stock and to promote the company after the period of manipulative, coordinated trading ended.

76. The promotions were replete with dubious statements touting Pazoo's potential and predictions regarding future price gains. For example, on August 21, 2012, promotion site Raging Bull predicted that Pazoo, which closed the prior day at \$0.35/share, "could see a move

to \$1.00 in the next few weeks!” According to a disclaimer, Raging Bull was paid \$10,000 by EAG for the promotion. This promotion did not inform readers of EAG’s role in Defendants’ coordinated trading that raised Pazoo’s price to \$0.35 in the first place.

77. On the same day, Stock Brainiac (stating that it was compensated \$50,000 [by an undisclosed party] and received 3 million unrestricted Pazoo shares), proclaimed:

This company could make history! Its chart is one of the strongest in the market today and the company just receive a \$1million financing and is about to launch at national tv campaign airing about 70,000 commercials on major channels starting in September! The whole country will soon know about Pazoo! But you’re learning about it now.

(Emphasis added.) Despite its reference to the strength of the “chart,” the promotion did not inform the readers that the reason Pazoo’s “chart” appeared to be “strong” was Defendants’ manipulative and coordinated trading in advance of the promotional campaign.

78. On October 4, 2012, promoter Elite OTC stated “[t]he sheer volume of substantial news releases over the past few weeks is amazing; as is the increased share volume.” According to the disclaimer, Elite OTC “expected” to be compensated \$5,000 by EAG. This promotion did not inform readers of EAG’s role in the “substantial” news releases concerning Pazoo.

79. During the Promotional Period, Pazoo issued at least 20 press releases.

80. Many of Pazoo’s press releases dubiously claimed that Pazoo’s products would imminently come to market. For example, on September 11, 2012, a Pazoo press release stated:

The initial product releases will be the MAXPLUS Multivitamin Powered by CELLMAX and CELLMAX Stem cell nutrition concentrate. To follow in the 4th quarter of this year will be a water oxygenator for people and one for pets. By the end of 2012 or early in the 1st quarter of 2013 an anti-aging product will be added to the MAX Line as well as a MAX line product for aches and pains.

The same press release went on to state, “Pazoo expects to have at least ten products in direct response and retail distribution channels before the end of June 2013.”

81. On September 19 and 20, 2012, Pazoo issued press releases announcing deals with major retailers. The first press release was headlined, “Largest Chain of Pet Stores In New England [PetLife] Agrees to Carry Pazoo's PetMax Line of Products.” The press release further claimed that Pazoo “expects to roll out an additional 3 to 4 products by the end of this year or early 2013.” The next day, on September 20, 2012, Pazoo announced that another retailer, New Jersey-based “Nutrition Zone” had “agreed to carry a Pazoo product line.”

82. As of November 20, 2012, neither PetLife nor Nutrition Zone carried any Pazoo products. Moreover, Nutrition Zone did not agree to carry Pazoo products; rather, the agreement was for a Nutrition Zone manager to write blog posts for Pazoo’s website.

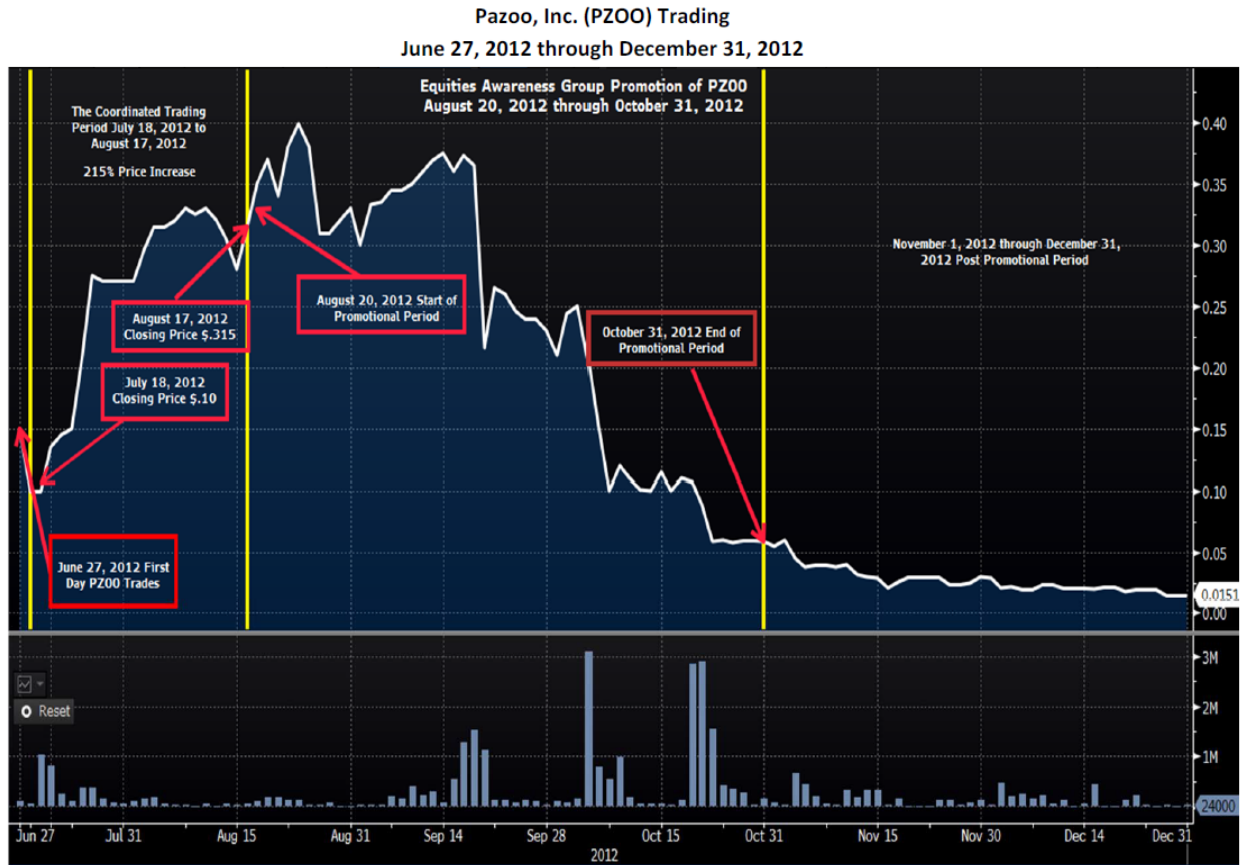
83. Other Pazoo-issued press releases concealed the relationship between Farinella and Individual A, who had been installed as Pazoo CEO by Farinella. For example, on October 4, 2012, Pazoo announced: “Pazoo, Inc. Acquires New Jersey Based DMC Athletics & Rehabilitation, Inc. [“DMC”], A Collection Of Quickly expanding and Profitable Physical Therapy & Personal Training Wellness Centers.” According to the press release, Pazoo acquired DMC in a cashless transaction whereby the Company purchased DMC for a \$1.5 million, two year balloon note with a 3% interest rate. Moreover, the press release claimed, “Pazoo’s Board of Directors expect [sic] audited financials and a business valuation report to be completed soon showing the valuation of DMC to be well north of the acquisition price.” The press release did not mention that the Pazoo CEO (Individual A) and Farinella co-owned DMC.

84. In November 2012, after Farinella and ICP had dumped millions of Pazoo shares on unsuspecting investors, DMC claimed that, due to the effects of Hurricane Sandy, it could not continue to perform under the contract, and Pazoo and DMC mutually agreed to terminate the agreement.

85. Notwithstanding the positive impression presented by Pazoo's press releases during this period, Pazoo's financial disclosures for the year ended December 31, 2012 reported gross revenues of only \$119,000. Approximately \$105,000 of this revenue was attributed by Pazoo to a "Consulting Advisory Agreement" between Pazoo and DMC. The 2012 financials also stated that the company had incurred expenses in excess of \$1.6 million, \$400K of which was attributable to investor relations contracts to increase investor awareness in the United States and Europe.

86. During the Promotional Period, the average daily trading volume of Pazoo common stock more than doubled, averaging 441,422 shares per day (reaching a high closing price of \$.399 per share on August 24).

87. While the volume continued to be high through the end of October 2012 as a result of the promotional campaign, the price per share dropped substantially after the matched trading ceased on September 17, 2012. By October 31, 2012, Pazoo closed at only \$.0592 per share.



88. Between July 18 and October 31, 2012, Farinella—through ICP—sold over 6 million shares of Pazoo common stock for gross sales proceeds of over \$1 million.

89. By December 24, 2012, Farinella—through ICP—sold over 8 million shares of Pazoo common stock for gross sales proceeds of almost \$1.1 million.

90. Beginning on August 23, 2012 and continuing until at least October 2012, Defendants Amado and Palomino profited from the sale of Pazoo shares. During that period, Amado, in a personal brokerage account, sold around 9,500 shares of Pazoo common stock for gross sales proceeds of almost \$2,100; an entity owned by Amado sold around 97,000 shares of Pazoo common stock for gross sales proceeds of at least \$21,000; and Palomino, in a personal account, sold around 88,000 shares of Pazoo common stock for gross sales proceeds of at least \$32,000..

FIRST CLAIM FOR RELIEF
(Against All Defendants)
Violations of Section 17(a)(1) and (a)(3) of the Securities Act

91. The Commission re-alleges and incorporates by reference herein each and every allegation in paragraphs 1 through 90.

92. By engaging in the conduct described above, Defendants directly or indirectly, in the offer and sale of securities, by the use of the means and instruments of transportation and communication in interstate commerce and of the mails, knowingly or with reckless disregard for the truth: employed devices, schemes or artifices to defraud; and engaged in transactions, practices or courses of business which operated or would operate as a fraud or deceit upon purchasers of securities.

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

SECOND CLAIM FOR RELIEF
(Against All Defendants)
Violations of Sections 9(a)(1) and (a)(2) of the Exchange Act

94. The Commission re-alleges and incorporates by reference herein each and every allegation in paragraphs 1 through 90.

95. By engaging in the conduct described above, Defendants, directly or indirectly, by the use of the means and instruments of transportation and communication in interstate commerce and of the mails, or of any facility of any national securities exchange, or any member of a national securities exchange:

- a. For the purpose of creating a false or misleading appearance of active trading in any security other than a government security, or a false or misleading appearance

with respect to the market for any such security: (1) effected transactions in such security which involves no change in beneficial ownership thereof; or (2) entered an order or orders for the purchase or sale of such security with the knowledge that an order or orders of substantially the same size, at substantially the same time, and at substantially the same price, for the sale or purchase of any security, has been or will be entered by or for the same or different parties; or

- b. Effected, alone or with one or more other persons, a series of transactions in any security other than a government security or in connection with any security-based swap agreement with respect to such security creating actual or apparent active trading in such security, or raising or depressing the price of such security, for the purpose of inducing the purchase or sale of such security by others.

96. By reason of the foregoing, Defendants, directly or indirectly, violated, and unless enjoined and restrained will continue to violate, Section 9(a) of the Exchange Act [15 U.S.C. § 78i].

THIRD CLAIM FOR RELIEF
(Against All Defendants)

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

97. The Commission re-alleges and incorporates by reference herein each and every allegation in paragraphs 1 through 90.

98. By engaging in the conduct described above, Defendants knowingly or recklessly, in connection with the purchase or sale of securities, directly or indirectly, by the use of means or instrumentalities of interstate commerce, or the mails, or the facilities of a national securities exchange: employed devices, schemes, or artifices to defraud; and engaged in acts, practices, or courses of business which operated or would operate as a fraud or deceit upon any person.

99. By engaging in the foregoing conduct, Defendants violated and, unless restrained and enjoined, will continue violating Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5(a) and (c) [17 C.F.R. § 240.10b-5] thereunder.

PRAYER FOR RELIEF

WHEREFORE, the Commission respectfully requests that the Court enter a final judgment:

(a) finding that Defendants violated the securities laws and rules promulgated thereunder as alleged against them herein;

(b) permanently restraining and enjoining Defendants, their agents, servants, employees and attorneys and all persons in active concert who receive actual notice of the injunction, and each of them from, directly or indirectly, violating or aiding and abetting violations of Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)] and Sections 9(a) and 10(b) of the Exchange Act [15 U.S.C. §§ 78i and 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5];

(c) directing Defendants to disgorge all ill-gotten gains plus pre-judgment interest thereon;

(d) directing Defendants 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)];

(e) permanently prohibit Defendants Farinella, Amado and Palomino from participating in the offering of any penny stock pursuant to Section 20(g) of the Securities Act [15 U.S.C. § 77t(g)] and Section 21(d)(6) of the Exchange Act [15 U.S.C. § 78u(d)(6)]; and

(f) granting such other and further relief as this Court may deem just and proper.

Dated: June 21, 2017
New York, New York

SECURITIES AND EXCHANGE COMMISSION



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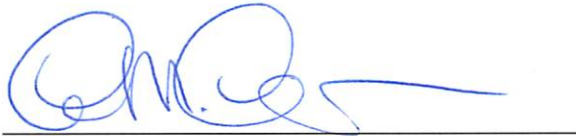
Sanjay Wadhwa
Michael D. Paley
Haimavathi V. Marlier
Rhonda Jung

DESIGNATION PURSUANT TO LOCAL RULE 101.1(f)

Per the requirements of Local Civil Rule 101.1(f), the undersigned hereby designates the United States Attorney for the District of New Jersey to receive service of all notices or papers in this action at the following address:

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SECURITIES AND EXCHANGE COMMISSION



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LOCAL CIVIL RULE 11.2 CERTIFICATION

Pursuant to Local Civil Rule 11.2, I certify that the matter in controversy alleged in the foregoing Complaint is related to United States v. Farinella, Mag. No. 17-6599, pending in the United States District Court for the District of New Jersey.

SECURITIES AND EXCHANGE COMMISSION



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