

IN THE UNITED STATES DISTRICT COURT  
FOR THE  
DISTRICT OF CONNECTICUT

SECURITIES AND EXCHANGE COMMISSION,	:	
	:	Civil Action No.
Plaintiff,	:	
	:	
v.	:	COMPLAINT FOR AN ORDER
	:	UNDER SECTION 20(c) OF
THOMAS J. DUDCHIK,	:	THE SECURITIES ACT
	:	OF 1933
Defendant.	:	

The Plaintiff, Securities and Exchange Commission ("Commission"), alleges for its Complaint as follows:

**Overview**

1. Defendant Thomas J. Dudchik ("Dudchik") has failed to comply with the terms of the Initial Decision of an Administrative Law Judge of the Securities and Exchange Commission ("Commission") issued on December 5, 2008, and the Order That Initial Decision Has Become Final issued by the Commission on January 29, 2009 (the "Commission's Order") in the administrative proceeding In the Matter of Thomas J. Dudchik, Administrative Proceeding File No. 3-12943. See Securities Act Release No. 9001 (January 29, 2009), 2009 SEC LEXIS 741. The Initial Decision, which was made effective by the Commission's Order, required Dudchik, inter alia, to pay disgorgement and prejudgment interest in the total amount of \$50,000. Pursuant to

Rule 601 of the Commission's Rules of Practice, that sum was payable within 21 days of that Order, or not later than February 19, 2009.

**Defendant**

2. Dudchik is a resident of East Haddam, Connecticut.

**Jurisdiction and Venue**

3. The Commission brings this action pursuant to Section 20(c) of the Securities Act of 1933 ("Securities Act") [15 U.S.C. § 77t(c)], for an order of this Court commanding Dudchik to comply with the Commission's Order.

4. This Court has jurisdiction over this action pursuant to Section 20(b) of the Securities Act. [15 U.S.C. § 77t(b)].

5. Dudchik resides within the District of Connecticut.

**The Commission's Order**

6. On January 30, 2008, the Commission issued an Order Instituting Cease-And-Desist Proceedings Pursuant to Section 8A of the Securities Act of 1933 [15 U.S.C. § 77h-1] ("OIP").

7. The OIP alleged, among other things, that during the first two weeks of public trading in the stock of Stinger Systems, Inc. ("Stinger") between November 11, 2004 and November 24, 2004, Dudchik sold approximately 81,000 Stinger shares that he had obtained through a third party. The OIP also alleged that Dudchik was an "extremely good friend" and former college roommate of

Stinger's Chairman, CEO and second largest shareholder. Stinger's Chairman insisted that the third party transfer some of his 750,000 shares in Stinger's predecessor corporation to Dudchik. As a result, the third party transferred 345,000 shares of the company that became Stinger to Dudchik in mid 2004, and caused stock certificates to be issued to Dudchik on October 1, 2004. Dudchik paid no compensation to the third party for the 345,000 Stinger shares. The OIP further alleged that Dudchik sold the Stinger shares in the two weeks in November 2004 through the over-the-counter market in nine transactions, and that at no time during any of the sales by Dudchik was a registration statement for Stinger shares in effect or filed with the Commission. The OIP further alleged that the sales occurred when there was no applicable exemption from the securities registration requirements of Section 5 of the Securities Act.

8. As a result of Dudchik's sales of the Stinger stock in November 2004 in the unregistered transactions, the OIP further alleged that Dudchik obtained ill-gotten gains over that two week period in the amount of \$865,935. The Commission sought disgorgement of that amount plus prejudgment interest thereon.

9. On December 5, 2008, following an evidentiary hearing, an Initial Decision was entered against Dudchik finding that he had violated the registration provisions of the federal securities

laws, Sections 5(a) and 5(c) of the Securities Act of 1933 ("Securities Act") [15 U.S.C. §77e(a) and §77e(c)] and ordering him to cease-and-desist from further violations. The initial decision also concluded that Dudchik had made profits (ill-gotten gains) from his illegal actions in the amount of \$865,935. Dudchik claimed an inability to pay and submitted a sworn financial affidavit to the Administrative Law Judge. The ALJ reduced Dudchik's payment obligation for disgorgement and prejudgment interest from \$865,935 to \$50,000. The ALJ required Dudchik to disgorge only \$50,000 of his ill-gotten gains.

10. The Initial Decision became final by order of the Commission on January 29, 2009. (Securities Act of 1933, Release No. 9001). The amount owed by Dudchik was required to be paid not later than 21 days after the order became final or by February 19, 2009. Dudchik has not paid any of the required amount.

11. The Commission mailed a copy of the Commission's Order to Dudchik on or about the date of the order via certified first class mail, return receipt requested.

**CLAIM FOR RELIEF**

**Dudchik Has Willfully Failed To  
Comply with the Commission's Order**

12. Plaintiff repeats and realleges Paragraphs 1 through 11 of the Complaint as if fully set forth herein.

13. On December 5, 2008, the Administrative Law Judge issued an Initial Decision, made final by Order of the Commission on January 29, 2009, pursuant to Section 8A of the Securities Act [15 U.S.C. §77(h-1)], requiring Dudchik to pay \$50,000 in disgorgement and prejudgment interest. Dudchik has failed to pay the required amounts.

**PRAYER FOR RELIEF**

WHEREFORE, Plaintiff Commission respectfully requests that this Court:

Issue an Order, pursuant to Section 20(c) of the Securities Act [15 U.S.C. § 77t(c)]:

- A. Requiring Dudchik to comply with the Commission's Order by paying the \$50,000 in disgorgement and prejudgment interest, forthwith; and
- B. Granting such other equitable relief as the Court deems necessary and appropriate.

Respectfully submitted,

Dated: September 3, 2010

/s/Edward G. Sullivan  
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