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UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

SECURITIES AND EXCHANGE COMMISSION, ***Plaintiff,*** **v.** **JOHN A. MATTERA, BRADFORD VAN SICLEN, THE PRAETORIAN GLOBAL FUND, LTD., PRAETORIAN G POWER I, LLC, PRAETORIAN G POWER II, LLC, PRAETORIAN G POWER IV, LLC, PRAETORIAN G POWER V, LLC, PRAETORIAN G POWER VI, LLC, DAVID E. HOWARD II, JOHN R. ARNOLD, FIRST AMERICAN SERVICE TRANSMITTALS, INC., JOSEPH ALMAZON, and SPARTAN CAPITAL PARTNERS,** ***Defendants,*** **- AND -** **ANN A. MATTERA, LAN T. PHAN a/k/a LAN PHAN MATTERA, and EXECUTIVE SOURCE HOLDING, LLC,** ***Relief Defendants.***	**11 Civ. _____ ( )** **ECF CASE** **COMPLAINT** **JURY TRIAL DEMANDED**

Plaintiff Securities and Exchange Commission (the "Commission") for its complaint against Defendants John A. Mattera ("Mattera"), Bradford Van Siclen, The Praetorian Global Fund, Ltd. (the "Praetorian Fund"), Praetorian G Power I, LLC, Praetorian G Power II, LLC, Praetorian G Power IV, LLC, Praetorian G Power V, LLC, Praetorian G Power VI, LLC (individually, "G" I, II, IV, V, or VI, and collectively, the "Praetorian G Entities"), John R. Arnold, First American Service Transmittals, Inc. ("FAST"), Joseph Almazon, Spartan Capital Partners ("Spartan"), and David E. Howard (collectively, the "Defendants") and Relief Defendants Ann A. Mattera ("Ann Mattera"), Lan T. Phan a/k/a Lan Phan Mattera ("Phan"), and Executive Source Holding, LLC ("Executive Source") (collectively, the "Relief Defendants"), alleges as follows:

SUMMARY OF ALLEGATIONS

1. The Commission brings this emergency action to stop Defendants' fraudulent, unregistered sale of securities in investment vehicles that claim to own shares in the highly coveted stock of companies like Facebook that are expected to hold an initial public offering ("IPO") soon. In fact, the investment vehicles are a scam, and they do not hold the promised shares. Through their scheme, Defendants have obtained more than $12.6 million from investors, much of which Mattera has simply stolen to subsidize his lavish lifestyle of private jets, luxury cars and jewelry.

2. The mechanics of the fraudulent scheme are simple. *First*, Defendants take advantage of investors' desire to buy shares in privately-held companies before their IPOs – shares that are difficult, if not virtually impossible, for company outsiders to obtain.

3. *Second*, acting through a web of registered and unregistered broker-dealers, Defendants solicit investments in special purpose vehicles – the Praetorian G Entities – each of which purports to hold shares of a particular pre-IPO company.

4. *Third*, investors are directed to wire funds to "escrow" accounts maintained at Branch Bank & Trust ("BB&T") or Bank of America in the name of Defendant FAST, a purported "escrow service." The funds are purportedly held in escrow until the IPOs or another triggering event occurs.

5. In reality, Defendants do not own the promised pre-IPO shares and the "escrow" service is a pass-through that transfers virtually all of the investor funds to accounts controlled by Defendants Mattera and Arnold. Mattera simply steals the funds to pay for his lavish personal lifestyle and expenses, to give large sums to his mother and wife, and to give at least Van Siclen and Almazon a cut for their roles in the scheme.

6. Mattera has a long history of criminal conduct. This fraudulent scheme is a more lucrative and sophisticated version of a criminal fraud scheme for which Mattera was convicted eight years ago. In 2003, Mattera pleaded guilty to seven counts of grand theft in three separate Florida criminal cases. In one of those cases, Mattera defrauded investors by selling securities that he falsely claimed to own.

7. As a result of this conduct, Defendants Mattera, Van Siclen, the Praetorian Fund, the Praetorian G Entities, Arnold and FAST have violated anti-fraud provisions of the Securities Act of 1933 ("Securities Act") and the Securities Exchange Act of 1934 ("Exchange Act"). By selling securities in unregistered offerings, Defendants Mattera, Van Siclen, the Praetorian Fund, the Praetorian G Entities, Almazon, Spartan, and Howard have violated registration provisions of the Securities Act. By acting as a broker without being registered as, or associated with, a

registered broker-dealer, Defendants Almazon and Spartan have violated registration provisions of the Exchange Act.

8. In order to halt Defendants' unlawful conduct, maintain the *status quo* and preserve any remaining assets for defrauded investors, the Commission seeks emergency relief, including temporary restraining orders and preliminary injunctions, and an order: (i) imposing asset freezes on the Defendants and Relief Defendants and requiring them to repatriate all fraudulent proceeds that are now located abroad, outside the Court's jurisdiction; (ii) preventing the destruction of documents and ordering expedited discovery; and (iii) requiring the Defendants and Relief Defendants to provide verified accountings. The Commission also seeks permanent injunctions against the Defendants, disgorgement of ill-gotten gains and prejudgment interest thereon from the Defendants and Relief Defendants, and civil monetary penalties from the Defendants.

VIOLATIONS

9. By virtue of the conduct alleged herein, Defendants Mattera, Arnold, FAST, Van Siclen, the Praetorian Fund, G I, G II, G IV, G V, and G VI have violated Section 17(a) of the Securities Act, 15 U.S.C. § 77q(a), and violated and aided and abetted violations of 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. Defendants Mattera, Almazon, Spartan, Van Siclen, the Praetorian Fund, G I, G II, G IV, G V, G VI, and Howard have violated Sections 5(a) and 5(c) of the Securities Act, 15 U.S.C. §§ 77e(a) and 77e(c). Defendants Almazon and Spartan have violated Section 15(a) of the Exchange Act, 15 U.S.C. § 78o(a).

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

JURISDICTION AND VENUE

11. The Commission brings this action pursuant to the authority conferred by Section 20 of the Securities Act, 15 U.S.C. § 77t(b), and Section 21(d) of the Exchange Act, 15 U.S.C. § 78u(d).

12. This Court has jurisdiction over this action 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, directly or indirectly, singly or in concert, have made use of the means or instrumentalities of transportation or communication in, or the instrumentalities of, interstate commerce, or of the mails, in connection with the transactions, acts, practices, and courses of business alleged herein.

13. Venue lies in this district 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. Certain of the transactions, acts, practices and courses of business constituting the violations alleged herein occurred within the Southern District of New York. Among other things, certain of the Defendants solicited investments in the Praetorian Fund and Praetorian G Entities through one or more meetings in New York, New York. In addition, Defendant Howard lives in New York, New York.

FACTS

Defendants

14. Defendant Mattera, age 50, resides in Boca Raton, Florida. Mattera holds himself out as Chairman of the Advisory Board of the Praetorian Fund and routinely conducts business on behalf of the Praetorian Fund and the Praetorian G Entities. In 2009, the Commission charged Mattera, Arnold, and others with fraudulently attempting to avoid registration requirements by backdating promissory notes to obtain improperly unrestricted

shares of a company (the "2009 Commission Action"). Mattera consented to a permanent injunction against future violations of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder and Sections 5(a) and 5(c) of the Securities Act, a permanent penny stock bar, and an order requiring him to pay disgorgement and penalties of $140,000 plus prejudgment interest. In 2003, Mattera pleaded guilty to seven counts of grand theft in three separate Florida criminal cases. Among other things, Mattera stole $34,000 from two Florida investors by promising to provide them with shares of stock that Mattera falsely represented he owned.

15. Defendant Van Siclen, aged approximately 43, resides in Montclair, New Jersey. Van Siclen is the Managing Director of the Praetorian Fund and routinely conducts business on behalf of the Fund and the Praetorian G Entities.

16. Defendant Praetorian Fund is registered in the British Virgin Islands as a professional mutual fund. The Praetorian Fund is not registered with the Commission in any capacity. Mattera and Van Siclen control the Praetorian Fund.

17. Defendants Praetorian G I, II, IV, V and VI are Delaware limited liability companies. Mattera and Van Siclen control the Praetorian G Entities. The Praetorian G Entities have never registered any of their securities or securities offerings with the Commission.

18. Defendant Arnold, age 61, resides in Florida. Arnold is the principal officer of Defendant FAST and the sole authorized signatory of its bank accounts at BB&T and Bank of America. In the 2009 Commission Action, the Commission obtained a default judgment against Arnold finding him liable for securities fraud, imposing a permanent injunction from violating Section 10(b) of the Exchange Act and Rule 10b-5 thereunder and Sections 5(a) and 5(c) of the Securities Act, ordering Arnold to pay a civil penalty of $65,000 plus prejudgment interest, and imposing a penny stock bar.

19. Defendant FAST is a Florida corporation with its last known place of business in Boca Raton, Florida. FAST claims to be an "escrow service" that "provide[s] security to both parties" in securities transactions. Arnold controls FAST.

20. Defendant Almazon, age 22, resides in Hicksville, New York.

21. Defendant Spartan is an unincorporated entity located in Hicksville, New York. Spartan is not registered with the Commission as a broker-dealer or in any other capacity. Almazon controls Spartan.

22. Defendant Howard, aged approximately 32, resides in New York, New York. He is an authorized representative of the Praetorian Fund and claims to be the manager of Wilshire Capital, a putative investment firm owned by Mattera. On March 22, 2011, in a different action, the Commission charged Howard with fraud in connection with the operation of a boiler room, selling interests in a purported trading platform. On July 27, 2011, the Commodity Futures Trading Commission filed suit against Howard and others for operating a fraudulent and unregistered foreign exchange trading business.

Relief Defendants

23. Ann Mattera, aged approximately 71, resides in Boca Raton, Florida. She is Mattera's mother.

24. Phan, aged approximately 43, resides in Fort Lauderdale, Florida. She is Mattera's wife.

25. Executive Source is a Delaware limited liability company with its only place of business in Hicksville, New York. Almazon owns and controls Executive Source.

Background

26. In approximately 1998, Mattera began using the name "Praetorian Corporation" as a vehicle for a prior, unrelated fraud.

27. At some time in approximately 2010, Mattera and Van Siclen formed the Praetorian Fund and the Praetorian G Entities.

28. Each of the Praetorian G Entities purported to be an investment vehicle that held (or in the case of G VI, purportedly would soon acquire from an affiliated party) coveted shares in a single pre-IPO company. G I purported to hold shares in Bloom Energy Corporation, an alternative energy company. G II purported to hold shares in Fisker Automotive, Inc., a company developing a luxury electric car. G IV purported to hold shares in Facebook, Inc., the social media company. G V purported to hold shares in Groupon, Inc., the daily deal website. (Groupon's shares began publicly trading on November 4, 2011.) G VI purportedly will soon acquire shares of Zynga Inc., a developer of social media games.

The Fraudulent Scheme Begins

29. Mattera and Van Siclen began selling investments in the Praetorian Fund and/or the Praetorian G Entities through one or more broker-dealers at least as early as August 2010.

30. Beginning in approximately November 2010, Mattera, Van Siclen and Howard began discussions with a registered broker-dealer based in New York, New York ("Broker-Dealer A"). Mattera, Van Siclen and Howard sought Broker-Dealer A's assistance in soliciting investments in two Praetorian G Entities: G II, the purported Fisker investment vehicle, and G IV, the purported Facebook investment vehicle.

31. By approximately December 2010, Broker-Dealer A had agreed to sell interests in G II and G IV.

32. Mattera, Van Siclen, and Howard, on behalf of the Praetorian Fund, G II, and G IV, were each actively involved in providing false documents and information to Broker-Dealer A's representatives and in pitching Broker-Dealer A's clients to invest in the Praetorian G Entities.

33. The documents and information provided to Broker-Dealer A for its clients' use were false in at least two respects. *First,* Mattera, Van Siclen, and Howard represented that the Praetorian Fund or G II held a large number of shares in Fisker and that the Praetorian Fund or G IV held a large number of shares in Facebook. In fact, as Mattera and Van Siclen knew or recklessly disregarded, the Praetorian Fund and G II held no Fisker shares and the Praetorian Fund and G IV held no Facebook shares. *Second,* Mattera and Van Siclen, along with Arnold and FAST, represented that investors' funds, once received, would be held in a FAST escrow account until a later triggering event. In fact, FAST did not hold the funds in escrow, as Mattera, Van Siclen, and Arnold knew or recklessly disregarded. As further alleged in paragraphs 85 through 87, Arnold quickly took a cut of the funds for himself and transferred more than 90% of the funds to Mattera or an entity Mattera controlled.

34. In approximately November 2010 through January 2011, Mattera, Van Siclen, and Howard made oral misrepresentations to one or more representatives of Broker-Dealer A to the effect that the Praetorian Fund or G II held a large number of Fisker shares and that the Praetorian Fund or G IV held a large number of Facebook shares.

35. During the same period, Mattera, Van Siclen, and Howard, on behalf of the Praetorian Fund and G II or G IV, made written misrepresentations to one or more representatives of Broker-Dealer A, as described below.

36. On January 5, 2011, one of Broker-Dealer A's customers, a prospective investor in G IV, asked a registered representative of Broker-Dealer A questions about the structure of the investment and the Facebook shares. The registered representative forwarded the questions to Van Siclen, who replied that he would return with answers. On January 12, after consulting with Van Siclen, Howard provided a response to the customer's questions to Broker-Dealer A. Howard falsely represented that the Praetorian Fund had acquired $50 million in Facebook shares. Broker-Dealer A conveyed Howard's response to the potential investor.

37. Van Siclen drafted the subscription agreement for G II, which contained similar false representations about Fisker shares. The subscription agreement was made available on the Internet at the Praetorian Fund's website. Clients of Broker-Dealer A who were interested in investing in G II received a copy of and/or link to the subscription agreement.

38. The subscription agreement available to potential investors claimed that G II was "capitalized" with a minimum of 10 million shares of Fisker. Neither the Praetorian Fund nor G II has ever held any shares of Fisker, as Mattera and Van Siclen knew or recklessly disregarded.

39. The Praetorian Fund also made a private placement memorandum for G II available to prospective investors ("the G II Memorandum"). This memorandum was similarly false. It referred to G II as "the Company," "we," or "us," and referred to "*our* common stock ('Common Stock') in Fisker Automotive, Inc." (emphasis added). The G II Memorandum offered $20 million worth of shares of G II at a price of $2.00 per share. The memorandum represented that each share of G II would be convertible into one share of Fisker common stock. The G II Memorandum therefore impliedly represented that G II held 10 million shares of Fisker common stock, which Mattera and Van Siclen knew or recklessly disregarded was false.

40. Mattera and Van Siclen, on behalf of the Praetorian Fund, G II and G IV, also made oral and written misrepresentations about the escrow account with respect to both G II and G IV, as described below.

41. The G II Memorandum represented that the investments in G II would "be deposited into an escrow fund (the 'Main Escrow Fund') First American Transmittals via BB&T bank, Ft. Lauderdale, Florida, USA."

42. On December 15, 2010, Van Siclen similarly confirmed to Broker Dealer A that its client's investment in G IV would be placed in escrow. That day, a representative of Broker Dealer A informed Van Siclen that he had "an order for 100K of Facebook." Van Siclen directed the representative to verify the investor's ability to consummate the purchase and indicated that the investor's funds would be thereafter placed in "escrow."

43. On January 14, 2011, Mattera e-mailed Broker-Dealer A "wire transfer instructions" for its customers' investments in G II and G IV. Mattera used the email address "jm@thepraetorianfund.com" to send the instructions. Near the top of the page, in bold capital letters, the wire instructions indicated the name of the entity, G II or G IV, respectively. At the very top of the page in smaller capital letters, the wire instructions indicated that the investor funds should be sent to FAST and defined FAST as the "escrow service for the Praetorian Fund." The G IV wire transfer instructions further instructed that the "payment reference" indicate "ESCROW." Both sets of wire instructions listed an account number at BB&T bank.

44. On January 20, Mattera asked one of Broker-Dealer A's registered representatives to let him know when a particular investment in G II would be wired to "Praetorian[']s escrow" account, once again representing that the investment funds would be held in escrow.

45. As Mattera and Van Siclen knew or recklessly disregarded, their characterizations of FAST as an "escrow service" for the Fund and their references to an "escrow" account were false and misleading. In fact, as further alleged in paragraphs 85 through 87, Arnold almost immediately wired the money received in the escrow account out to himself, Mattera, and entities controlled by Mattera.

Broker-Dealer A's Due Diligence Raises Red Flags

46. In approximately January 2011, Broker-Dealer A began conducting due diligence on the G II and G IV offerings.

47. On January 19 at 9:14 a.m., Broker-Dealer A's compliance officer asked Van Siclen for copies of Praetorian's placement agreement with Facebook and the Facebook stock certificate demonstrating the Praetorian Fund's ownership of the Facebook shares.

48. As Van Siclen knew, no such documents existed. To conceal this fact, Van Siclen replied to the compliance officer less than twenty minutes later that the Facebook offering had been "oversubscribed" as of the previous week. As Van Siclen knew, the offering was not "oversubscribed." In at least the five months prior to January 19, G IV, the purported Facebook vehicle, had not sold any of its shares.

49. A few days later, Broker-Dealer A received an email from an individual complaining that G II's investment documentation was "hobbled [sic] together by a janitor" and seeking proof that G II actually held shares of Fisker.

50. That same month, Broker-Dealer A discovered that Mattera had at least one criminal conviction.

51. By February 4, Broker-Dealer A had terminated its relationship with the Praetorian Fund, G II, G IV, Mattera, Van Siclen and Howard.

Howard Solicits an Investment From Almazon

52. In approximately late 2010 or early 2011, Howard began discussing the Praetorian Fund with Almazon.

53. Howard informed Almazon that Praetorian owned shares of Fisker and was offering those shares to investors through an investment vehicle.

54. Howard informed Almazon that investor money was held in escrow until the IPOs occurred. If an IPO did not occur in the expected time frame, an investor could either request the return of his or her money or move the money to a different Praetorian investment.

55. In approximately January or February 2011, Almazon decided to invest in G II. Howard sent Almazon wire instructions for an account at BB&T that purported to be an escrow account maintained by FAST for the benefit of G II. Almazon signed a subscription agreement for G II and invested approximately $60,000 in a membership interest in the entity by wiring his funds to the BB&T account listed on the wire instructions.

56. Almazon received a wire receipt by email from FAST stating that it had received his funds. Arnold had created the wire receipt and signed it under the pseudonym "JR Garrison."

57. At some point, Van Siclen informed Almazon that his funds would remain in escrow until Fisker had an IPO, Almazon made a redemption request, or the Praetorian Fund purchased back Almazon's shares of Fisker.

58. In approximately June 2011, Almazon complained to Van Siclen that he had invested months before but still had not received any documentation confirming his investment.

Almazon and Spartan Solicit Praetorian Investors

59. In early summer 2011, Almazon and his entity, Spartan, began selling interests in the Praetorian G Entities, with Mattera's and Van Siclen's knowledge and approval.

60. Howard told Almazon that he could charge investors a higher price than the price offered by the Praetorian G Entities for their shares – in other words, a mark-up – and keep the difference. Howard also told Almazon that Almazon would receive a 10% commission on any money he raised for the Praetorian G Entities.

61. Almazon used Craigslist.com to recruit several college students as interns for Spartan. Almazon used the interns to solicit investments in the Praetorian G Entities. Almazon told the interns that they would receive commissions for successful sales of Praetorian interests.

62. Almazon provided the interns with guidance on how to sell membership interests in the Praetorian G Entities, including by providing anticipated IPO dates and price targets. Almazon also researched how to describe the pre-IPO investment opportunity to potential investors seeking more information.

63. Spartan solicited investments by telephone, word of mouth, and through LinkedIn.com, a popular professional networking website. A Spartan employee posted an advertisement on LinkedIn in July 2011 that read in part: "*[Spartan] can offer the opportunity to buy pre-IPO shares of the following companies: Facebook, Twitter, Zynga, Bloom Energy, Fisker, and Groupon.*"

64. Another Spartan advertisement on LinkedIn, also available in July 2011, stated: "*We have access to Fisker Auto, Groupon, Ren Ren, Bloom Energy and many more! Unlike most of the other investment banking firms, we let you sell your shares right at the open! You also do not need to be in NY to invest in our IPOs!*" This advertisement was available to the general public, without any log-in information required.

65. Almazon spoke to and recommended the securities of one or more of the Praetorian G Entities to investors.

66. Almazon received form subscription agreements for investments in each of the Praetorian G Entities from Mattera or Van Siclen. Van Siclen had drafted each of the subscription agreements. Each agreement identified Van Siclen as the contact person.

67. Each subscription agreement explicitly defined the membership interests being offered as "securities" and made clear that the investor was purchasing securities in the Praetorian G Entity holding the pre-IPO shares, not in the pre-IPO company itself. The subscription agreements purported to entitle the investor to shares of the pre-IPO company based on the amount of the investor's investment in the Praetorian G Entity and at a specified dollar price for the shares of the pre-IPO company. For instance, one version of the G IV subscription agreement entitled G IV investors to convert their investments in G IV into Facebook shares at a price of $39 per share. Similarly, one version of the G V subscription agreement entitled G V investors to convert their investments in G V into Groupon shares at a price of $25 per share.

68. The subscription agreements for each of the Praetorian G Entities (except G VI) also falsely represented that an entity called "the Praetorian Trust" had "capitalized" the Praetorian G Entity with a certain "minimum" number of shares in one of the pre-IPO companies. For example, the G II subscription agreement represented that the Praetorian Trust had capitalized G II with a minimum of ten million Series B-1 preferred shares of Fisker. The Praetorian G IV subscription agreement represented that the Praetorian Trust had capitalized Praetorian G IV with a minimum of one million shares of Facebook. Similarly, the Praetorian G V subscription agreement represented that the Praetorian Trust had capitalized Praetorian G V with a minimum of one million shares of Groupon.

69. At least one version of the G II agreement entitled its investors to Fisker shares held by G II at $5.00 per share. At least one version of the G IV agreement entitled its investors

to Facebook shares held by G IV at $39 per share. Similarly, at least one version of the G V agreement entitled its investors to Groupon shares held by G V at $25 per share. Based on these prices, the G II agreement implicitly represented that G II held at least $50 million worth of Fisker shares, the G IV agreement implicitly represented that G IV held at least $39 million worth of Facebook shares, and the G V agreement implicitly represented that G V held at least $25 million worth of Groupon shares.

70. The subscription agreement for each of these Praetorian G Entities was plainly false. None of these Praetorian G Entities has ever held any shares of Fisker, Facebook, or Groupon, as Mattera and Van Siclen knew or recklessly disregarded.

71. These misrepresentations were of the utmost importance to investors, who were investing in the Praetorian G Entities because the entities purported to hold coveted shares of the pre-IPO companies.

72. Almazon, either directly or through Spartan interns or employees at his direction, forwarded the subscription agreements sent by Van Siclen to prospective investors he and Spartan solicited. Investors signed the subscription agreements and returned them to Spartan. Almazon then sent the signed subscription agreements to Van Siclen and/or FAST.

73. Almazon instructed investors to wire funds to a bank account in the name of Relief Defendant Executive Source, which Almazon owned and controlled. Almazon, through Executive Source, kept his mark-up and then wired the remainder to FAST.

74. Almazon and Spartan have successfully solicited investments in each of the Praetorian G Entities, totaling at least $640,000. The vast majority of the investments were for G IV, the purported Facebook vehicle, and G V, the purported Groupon vehicle.

75. As recently as August 2011, Almazon received congratulatory calls from Mattera praising him for his success in obtaining investors. Mattera also asked Almazon whether additional funds would be flowing into the FAST accounts.

76. Almazon received half of the 10% commission on the investment amounts he raised for the Praetorian G Entities. The remaining half was paid to an individual who had introduced Almazon to Howard.

77. Relief Defendant Executive Source obtained and kept a portion of investor funds. Executive Source provided no legitimate services or other consideration in return for this money and has no legitimate claim to the funds.

78. Almazon has not received any Fisker shares or a return on his investment in G II.

Other Investors

79. From at least August 2010 through the present, Mattera and Van Siclen have used one or more other registered or unregistered broker-dealers to solicit additional investments in the Praetorian G Entities.

80. At least as recently as October 25, 2011, Mattera personally solicited investors in one or more of the Praetorian G Entities. On October 25, Mattera arranged for a potential investor in G II to receive wire transfer instructions to a purported FAST escrow account and a subscription agreement. The subscription agreement was substantially the same as the G II subscription agreement described above in paragraphs 66 through 70, with one significant exception. The October 25 G II subscription agreement represented that the Praetorian Trust had capitalized G II with 25 million shares of Fisker – 15 million shares more than had been represented in the prior subscription agreement.

81. From August 2010 to the present, in addition to the funds Mattera and Van Siclen raised through Almazon and Spartan, Mattera and Van Siclen have raised at least an additional

$11.5 million in investments for the Praetorian G Entities using the same or similar subscription agreements. More than $1.3 million of this amount was raised from August 1 through September 30, 2011, mostly for investments in G IV and G VI.

Mattera's Looting of the FAST Accounts

82. The purported FAST escrow accounts play a critical role in the fraudulent scheme. Investors in each of the Praetorian G Entities transferred their funds to one of six different purported FAST escrow accounts, all but one of which contain the word "escrow" in their titles.

83. As set forth above, Mattera and Van Siclen told investors, orally and in writing, that their investments would be held in escrow with FAST. Arnold sent wire receipts on behalf of FAST that falsely represented that an investor's funds are in "escrow." FAST's website states it is an "escrow service" that "provide[s] security to both parties" in securities transactions.

84. These representations were important to investors, who believed in the legitimacy of the Praetorian G Entity investments in part because they believed their funds were held safely in escrow.

85. These representations were false. Once investors transferred their funds to one of the purported FAST escrow accounts, Arnold, the sole signatory on the FAST accounts, removed virtually all of the money almost immediately.

86. Arnold transferred amounts ranging from approximately 2% to 12% of the investors' money to a FAST corporate administrative account he controls. That money represents Arnold's cut of investor proceeds for his participation in the fraud.

87. Arnold then transferred the remaining investor funds to two accounts controlled by Mattera in the names of Mattera Asset Management Corporation ("Mattera Management") and Rhino Island Capital, Inc. ("Rhino Island").

88. From at least August 2010 through September 30, 2011, almost all of the funds in the Mattera Management and Rhino Island accounts were investor funds initially wired to the FAST escrow accounts for the purpose of investments in the Praetorian G Entities. During that time, Mattera spent more than $5.75 million from the Mattera Management and Rhino Island accounts to pay for lavish personal expenses, such as jewelry and luxury cars; other personal obligations, such as personal tax payments and settlement payments to plaintiffs in a civil lawsuit; and transfers to family members.

89. Of this amount, Mattera transferred more than $2 million of investor funds to his mother, Ann Mattera, and his wife, Phan. Neither Ann Mattera nor Phan provided any legitimate services or other consideration to Mattera in return for this money. Neither Ann Mattera nor Phan has any legitimate claim to the funds.

90. In addition to the funds Mattera used for personal expenses and family transfers, Mattera used an additional $1.75 million of investor funds to purchase approximately 2.6 million Series B-1 shares of Fisker stock in the name of Wilshire Capital, Mattera's purported investment firm. Mattera made these purchases from November 15 through December 3, 2010. Since then, Mattera has never transferred or sold any of those shares to G II, the Praetorian Fund, "the Praetorian Trust," or any of the other Praetorian G Entities. In fact, Mattera represented to Fisker's general counsel in the spring of 2011 that he had no interest in selling the 2.6 million shares of Fisker held by Wilshire Capital.

91. In addition to the investor funds that Mattera spent on the purposes described in the paragraphs above, Mattera has transferred at least $1 million of investor funds to foreign accounts and to an entity that appears to be controlled at least in part by foreign residents.

92. Mattera also used investor funds in the Mattera Management and Rhino Island accounts to pay commissions to Almazon (through the individual who split the 10% commission with Almazon) and to pay Van Siclen for his role in the scheme.

FIRST CLAIM FOR RELIEF

Violations of Section 17(a) of the Securities Act

(Against Mattera, Van Siclen, the Praetorian G Entities, the Praetorian Fund, Arnold and FAST)

93. Paragraphs 1 through 92 are realleged and reincorporated by reference as if fully set forth herein.

94. The investments in the Praetorian G Entities are securities within the meaning of Section 2(1) of the Securities Act, 15 U.S.C. § 77b(1).

95. The misrepresentations and omissions described above are material.

96. From at least August 2010 through August 2011, Defendants Mattera, Van Siclen, the Praetorian G Entities, the Praetorian Fund, Arnold and FAST, directly and indirectly, singly and in concert, knowingly or recklessly, by the use of the means and instruments of transportation or communication in interstate commerce or by the use of the mails, and in connection with the offer or sale of securities, have: (a) employed devices, schemes or artifices to defraud; (b) obtained money or property by means of one or more untrue statements of material fact or one or more omissions of material fact necessary to make the statements, in light of the circumstances under which they were made, not misleading; or (c) engaged in one or more transactions, acts, practices or courses of business which operated or would operate as a fraud or deceit upon purchasers.

97. By reason of the transactions, acts, omissions, practices, and courses of business set forth in this Complaint, Defendants Mattera, Van Siclen, the Praetorian G Entities, the Praetorian Fund, Arnold and FAST have violated, are violating, and unless restrained and enjoined, will continue to violate Section 17(a) of the Securities Act, 15 U.S.C. § 77q(a).

SECOND CLAIM FOR RELIEF

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

(Against Mattera, Van Siclen, the Praetorian G Entities, the Praetorian Fund, Arnold and FAST)

98. Paragraphs 1 through 92 are realleged and reincorporated by reference as if fully set forth herein.

99. The investments in the Praetorian G Entities are securities within the meaning of Section 3(a)(10) of the Exchange Act, 15 U.S.C. § 78c(a)(10).

100. The misrepresentations and omissions described above are material.

101. From at least August 2010 through August 2011, Defendants Mattera, Van Siclen, the Praetorian G Entities, the Praetorian Fund, Arnold and FAST, directly and indirectly, singly and in concert, knowingly or recklessly, by the use of any means or instrumentality of interstate commerce or of the mails, and in connection with the purchase or sale of securities, have: (a) employed devices, schemes or artifices to defraud; (b) made one or more untrue statements of material fact or one or more omissions of material fact necessary to make the statements made, in light of the circumstances under which they were made, not misleading; or (c) engaged in one or more acts, practices or courses of business which operated or would operate as a fraud or deceit upon any person.

102. By reason of the acts, omissions, practices, and courses of business set forth in this Complaint, Defendants Mattera, Van Siclen, the Praetorian G Entities, the Praetorian Fund, Arnold and FAST have violated, are violating, and unless restrained and enjoined, will continue

to violate 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.

THIRD CLAIM FOR RELIEF

Aiding and Abetting Violations of Section 10(b) of the Exchange Act and Rule 10b-5
(Against Mattera and Van Siclen)

103. Paragraphs 1 through 92 are realleged and reincorporated by reference as if fully set forth herein.

104. As alleged herein, the Praetorian G Entities and the Praetorian Fund have violated and continue to violate Section 10(b) of the Exchange Act and Rule 10b-5 thereunder.

105. Through the conduct alleged herein, Defendants Mattera and Van Siclen knowingly or recklessly provided substantial assistance and aided and abetted and, unless restrained and enjoined, will continue to aid and abet the Praetorian G Entities' and the Praetorian Fund's violations of Section 10(b) of the Exchange Act and Rule 10b-5.

FOURTH CLAIM FOR RELIEF

Aiding and Abetting Violations of Section 10(b) of the Exchange Act and Rule 10b-5
(Against Arnold)

106. Paragraphs 1 through 92 are realleged and reincorporated by reference as if fully set forth herein.

107. As alleged herein, Mattera, Van Siclen, the Praetorian Fund, the Praetorian G Entities, and FAST violated and continue to violate Section 10(b) of the Exchange Act and Rule 10b-5 thereunder.

108. Through the conduct alleged herein, Arnold knowingly or recklessly provided substantial assistance and aided and abetted and, unless restrained and enjoined, will continue to aid and abet the violations of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder by Mattera, Van Siclen, the Praetorian Fund, the Praetorian G Entities, and FAST.

FIFTH CLAIM FOR RELIEF

Control Person Liability Under Section 20(a) of the Exchange Act
(Against Mattera and Van Siclen)

109. Paragraphs 1 through 92 are realleged and reincorporated by reference as if fully set forth herein.

110. As alleged herein, the Praetorian G Entities and the Praetorian Fund violated and continue to violate Section 10(b) of the Exchange Act and Rule 10b-5 thereunder.

111. From at least August 2010 through the present, Mattera and Van Siclen controlled and still control the Praetorian G Entities and the Praetorian Fund. Mattera and Van Siclen were culpable participants in the Praetorian G Entities' and the Praetorian Fund's violations of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder.

SIXTH CLAIM FOR RELIEF

Control Person Liability Under Section 20(a) of the Exchange Act
(Against Arnold)

112. Paragraphs 1 through 92 are realleged and reincorporated by reference as if fully set forth herein.

113. As alleged herein, FAST violated and continues to violate Section 10(b) of the Exchange Act and Rule 10b-5 thereunder.

114. From at least August 2010 through the present, Arnold controlled and still controls the Praetorian G Entities and the Praetorian Fund. Arnold was and is a culpable participant in FAST's violations of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder.

SEVENTH CLAIM FOR RELIEF

Unregistered Securities Offerings in Violation of Sections 5(a) and 5(c) of the Securities Act
(Against Mattera, Van Siclen, the Praetorian Fund,
the Praetorian G Entities, Almazon, Spartan, and Howard)

115. Paragraphs 1 through 92 are realleged and reincorporated by reference as if fully set forth herein.

116. No registration statement was filed or in effect for the offering of the Praetorian G Entities' securities. Nor did the offering and sale of the Praetorian G Entities' securities qualify for any exemption from the registration requirements set forth in Section 5 of the Securities Act and the rules promulgated thereunder.

117. Mattera, Van Siclen, the Praetorian Fund, the Praetorian G Entities, Almazon, Spartan, and Howard, directly or indirectly, have made use of the means or instruments of transportation or communication in interstate commerce, or of the mails, to offer and sell securities through the use or medium of a prospectus or otherwise, or have carried or caused to be carried through the mails or in interstate commerce, by any means or instruments of transportation, securities for the purpose of sale or for delivery after sale, when no registration statement has been filed or was in effect as to such securities and when no exemption from registration was available.

118. By reason of the foregoing, Mattera, Van Siclen, the Praetorian Fund, the Praetorian G Entities, Almazon, Spartan, and Howard have violated, are violating, and unless restrained and enjoined, will continue to violate Sections 5(a) and 5(c) of the Securities Act, 15 U.S.C. §§ 77e(a) and 77e(c).

EIGHTH CLAIM FOR RELIEF

Acting as an Unregistered Broker-Dealer in Violation of Section 15(a) of the Exchange Act
(Against Almazon and Spartan)

119. Paragraphs 1 through 92 are realleged and reincorporated by reference as if fully set forth herein.

120. Defendants Almazon and Spartan have solicited purchases of and effected transactions in securities issued by the Praetorian G Entities and have received commissions based on those transactions. Neither Almazon nor Spartan was registered with the Commission as a broker or dealer, and Almazon was not an associated person of a registered broker or dealer with respect to the conduct alleged in this Complaint.

121. By engaging in the conduct described above, Almazon and Spartan made use of the mails or means or instrumentalities of interstate commerce to effect transactions in or to induce or attempt to induce the purchase or sale of securities (other than an exempted security or commercial paper, bankers' acceptances, or commercial bills) without registering as a broker or dealer in accordance with Section 15(b) of the Exchange Act, 15 U.S.C. § 78o(b).

122. By reason of the foregoing, Almazon and Spartan have violated and unless restrained and enjoined will continue to violate Section 15(a) of the Exchange Act, 15 U.S.C. § 78o(a).

NINTH CLAIM FOR RELIEF
(Against Relief Defendants)

123. Paragraphs 1 through 92 are realleged and reincorporated by reference as if fully set forth herein.

124. Relief Defendants Ann Mattera, Phan and Executive Source have each obtained proceeds of the fraudulent, unregistered offerings of securities alleged above under

circumstances in which it is not just, equitable, or conscionable for the Relief Defendants to retain these ill-gotten gains. Relief Defendants gave no consideration for their receipt of these ill-gotten gains and have no legitimate claim to these funds. Relief Defendants have therefore each been unjustly enriched.

125. By reason of the foregoing, Relief Defendants Ann Mattera, Phan and Executive Source should disgorge their ill-gotten gains, plus prejudgment interest thereon.

PRAYER FOR RELIEF

WHEREFORE, the Commission respectfully requests that the Court grant the following relief:

I.

Enter a Final Judgment finding that the Defendants each violated the securities laws and rules promulgated thereunder as alleged against them herein;

II.

Enter an Order temporarily and preliminarily, and a Final Judgment permanently, restraining and enjoining the Defendants and their agents, servants, employees and attorneys and all persons in active concert or participation with them who receive actual notice of the injunction by personal service or otherwise, and each of them, from committing future violations of each of the securities laws and rules promulgated thereunder, or alternatively, from aiding and abetting such future violations, as respectively alleged against them herein.

III.

Enter an Order freezing the assets of the Defendants, and all assets under their control, and freezing the assets of the Relief Defendants up to the amount of their ill-gotten gains.

IV.

Enter an Order directing the Defendants and Relief Defendants to file with this Court and serve upon the Commission, within three (3) business days, or within such extension of time as the Commission staff agrees in writing or as otherwise ordered by the Court, a verified written accounting, signed by each of them under penalty of perjury.

V.

Enter an Order requiring Defendants to repatriate all funds and assets obtained from the fraudulent activities described herein that are now located outside the Court's jurisdiction.

VI.

Enter an Order permanently restraining and enjoining the Defendants from destroying, altering, concealing, or otherwise interfering with the access of the Commission to relevant documents, books and records.

VII.

Enter a Final Judgment directing the Defendants and Relief Defendants to disgorge their ill-gotten gains, plus prejudgment interest.

VIII.

Enter a Final Judgment directing the Defendants to pay civil money penalties pursuant to Section 20(d) of the Securities Act [15 U.S.C. § 77t(d)] and Section 21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)].

IX.

Granting such other and further relief as this Court deems just and proper.

Dated: New York, New York
November 17, 2011

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