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AMON, CH.J.
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U.S. DISTRICT COURT
EASTERN DISTRICT
OF NEW YORK

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

AXIUS, INC.,
ROLAND KAUFMANN, and
JEAN-PIERRE NEUHAUS,

Defendants.

CV 12 - 3338

12 Civ. _____

COMPLAINT

PRELIMINARY STATEMENT

Plaintiff Securities and Exchange Commission ("Commission"), for its Complaint against defendants Axius, Inc. ("Axius"), Roland Kaufmann ("Kaufmann"), and Jean-Pierre Neuhaus ("Neuhaus") (collectively, "the Defendants"), alleges as follows:

1. From at least January to March 2012, Kaufmann, the President and Chief Executive Officer of Axius, and Neuhaus, a stock promoter, engaged in a fraudulent scheme to manipulate the market for Axius stock.
2. More specifically, in February 2012, Kaufmann and Neuhaus entered into an agreement with an Individual ("Individual A"), whom they believed represented a group of

stock brokers with trading discretion over the accounts of wealthy customers. Defendants promised to pay a kickback of 26% to 28% to Individual A and the brokers he represented in exchange for buying up to 1 million shares of Axius stock for up to \$5 million through their customers' accounts.

3. On February 16 and 17, 2012, and in accordance with the illicit arrangement, Kaufmann and Neuhaus instructed Individual A to submit orders to buy a total of approximately 14,000 shares of Kaufmann's Axius stock for a total of approximately \$49,000.

4. Kaufmann and Neuhaus gave Individual A detailed instructions concerning the size, price and timing of those orders. In this way, Kaufmann and Neuhaus were able to insure that all of Individual A's purchase orders were matched with Kaufmann's sell orders at prices Kaufmann predetermined.

5. Thereafter, Kaufmann paid Individual A kickbacks of approximately \$13,700 for those purchases.

VIOLATIONS

6. By virtue of their conduct, the Defendants violated Section 17(a)(1) and (a)(3) of the Securities Act of 1933 ("Securities Act"), 15 U.S.C. § 77q(a), Section 9(a)(1) of the Securities Exchange Act of 1934 ("Exchange Act"), 15 U.S.C. § 78i(a)(1), 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.

JURISDICTION AND VENUE

7. 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), seeking to permanently restrain and enjoin the Defendants from

engaging in the transactions, acts, practices and courses of business alleged in this Complaint. The Commission also seeks a final judgment: (i) ordering the Defendants to disgorge their ill-gotten gains, if any, with prejudgment interest thereon; (ii) ordering the Defendants to pay 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); (iii) prohibiting Neuhaus and Kaufmann 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 (iv) prohibiting Kaufmann from serving as an officer or director of a public company pursuant to Sections 20(e) of the Securities Act, 15 U.S.C. § 77t(e), and 21(d)(2) of the Exchange Act, 15 U.S.C. § 78u(d)(2).

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

9. Venue in this District is proper 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, because Kaufmann and Neuhaus can be found within this District and because certain of the transactions, acts, practices, and courses of business constituting the violations alleged herein occurred within this District. For example, the Defendants wired the kickback payments to a bank located in the Eastern District of New York.

10. The Defendants, directly or indirectly, have made use of the means or instruments of transportation or communication in interstate commerce, or of a means or instrumentality of interstate commerce, or of the mails, or of the facilities of a national

securities exchange, in connection with the transactions, acts, practices and courses of business alleged in this Complaint.

DEFENDANTS

11. **Kaufmann**, age 59, a Swiss citizen, is the President, CEO, and Director of Axius, Inc. He currently lives in Brooklyn, New York.

12. **Neuhaus**, age 55, is a stock promoter and Swiss citizen. He currently lives in Brooklyn, New York.

13. **Axius, Inc.** is a Nevada corporation with its principal offices in Dubai that purports to be a holding company promoting health, well-being, and healthy life style companies. Axius' stock began trading publicly on June 20, 2011, and at all relevant times, it was quoted on the OTC Bulletin Board. Axius' securities are registered with the Commission pursuant to Section 12(g) of the Exchange Act.

FACTS

14. Axius was incorporated on September 18, 2007.

15. In 2012, Axius purported to be a business incubator and holding company promoting health, well-being, and healthy lifestyle companies.

16. According to a Form 10-Q for the quarterly period ended January 31, 2012 that Axius filed with the Commission on March 16, 2012, Axius incurred a net loss of \$73,703 for the three month period ended January 31, 2012 and an accumulated net loss of \$823,243 from its date of inception through January 31, 2012.

17. Currently and at all relevant times, Axius common stock qualified as a penny stock as it did not meet any of the exceptions from the definition of penny stock contained in Rule 3a51-1 of the Exchange Act.

18. In January 2012, Neuhaus began discussions with Individual A concerning a scheme to manipulate Axius stock. In prior conversations, Individual A represented himself to Neuhaus as a person who could arrange stock purchases by a group of brokers with discretion over the accounts of wealthy customers.

19. On January 26, 2012, during a telephone conversation with Individual A, Neuhaus stated that he and Kaufmann were looking to place approximately one million shares of Axius stock with Individual A's brokers and to ensure that the stock "stayed put" in those accounts so that the price of Axius stock remained stable at around \$3.50 per share.

20. During the January 26th conversation, Neuhaus said that Kaufmann controlled all of the float of Axius and that crossing the trades would be no problem because "there is nobody in the way who can hurt you . . . [Kaufmann] is the only one who can offer."

21. On February 8, 2012, Neuhaus introduced Individual A to Kaufmann during a telephone conversation.

22. During the February 8th conversation, Kaufmann told Individual A that all shares of Axius were "one hundred percent . . . under [Kaufmann's] umbrella" and that he wanted to liquidate approximately one million shares of Axius for up to \$5 million over a three month period. Kaufmann further told Individual A that he "[did not] want the shares to come out" but instead wanted to "lock 'em up, at least have bona fide shareholders, say, for the next twelve months."

23. During this February 8th conversation, Kaufmann agreed to pay Individual A a kickback of 26% to 28% in exchange for the purchase of Axius stock by Individual A's brokers. Kaufmann also agreed not to disclose the kickback arrangement to Axius investors.

24. During the February 8th conversation, Kaufmann, Neuhaus, and Individual A

discussed an initial test transaction during which Individual A would purchase an unspecified number of shares of Axius stock to ensure that the matched trades were executed smoothly.

25. On February 10, 2012, during a telephone conversation, Neuhaus and Individual A agreed to execute two test transactions of approximately \$25,000 each.

26. On February 15, 2012, during a telephone conversation, Neuhaus and Individual A planned the test transactions and agreed that Individual A would purchase a total of 14,000 shares of Axius stock in two trades of 7,000 shares over the following two days in preparation for ultimately purchasing one million shares of Axius stock.

27. On February 16, 2012, during a telephone conversation, Individual A told Kaufmann and Neuhaus that the brokers' customers did not know of the kickback payments and asked Kaufmann and Neuhaus for assurances that the customers would never be told of the kickback payments. Kaufmann responded: "Oh no . . . don't worry about that . . . I do not want to know who the brokers are, uh, [Neuhaus] doesn't want to know anything except to be paid after . . ."

28. During the February 16th conversation, Kaufmann told Individual A that Kaufmann placed an order with his banker to sell 7,000 shares of Axius at \$3.50 per share and asked that Individual A have his brokers purchase the stock at 1 p.m. that day.

29. Also during the February 16th conversation, Individual A, Neuhaus, and Kaufmann agreed to conduct a second test transaction for 7,000 shares on February 17, 2012.

30. On February 16, 2012, in accordance with the agreement to purchase Axius stock and per Kaufmann's instructions, Individual A purchased 7,000 shares of Axius stock at \$3.50 per share for an aggregate purchase price of \$24,500.

31. On February 17, 2012, Neuhaus instructed Individual A to purchase 7,000

additional shares of Axius stock.

32. On February 17, 2012, in accordance with the agreement to purchase Axius stock and per Neuhaus's instructions, Individual A purchased 7,000 shares of Axius stock at \$3.50 per share for an aggregate purchase price of \$24,500.

33. In total, between February 16 and 17, 2012, Kaufmann and Neuhaus instructed Individual A to submit orders to buy an aggregate of 14,000 shares of Axius stock for an aggregate purchase price of \$49,000.

34. As a result of Kaufmann's and Neuhaus's coordination of trading, all of Individual A's February 16, 2012 and February 17, 2012 purchase orders for Axius stock were matched against Kaufmann's sell orders at prices that Kaufmann had prearranged.

35. Shortly thereafter, Kaufmann paid a kickback payment to Individual A. On February 28, 2012, Kaufmann deposited \$13,700 in cash into a bank account designated by Individual A, approximately 28% of the \$49,000 worth of Axius stock purchased by Individual A.

FIRST CLAIM FOR RELIEF

Violations of Section 17(a)(1) and (a)(3) of the Securities Act

36. The Commission realleges and incorporates paragraphs 1 through 36 by reference as if fully set forth herein.

37. Defendants, directly or indirectly, singly or in concert, in the offer and sale of securities, by the use of the means or instruments of transportation or communication in interstate commerce, or by the use of the mails, (i) have employed, are employing, or are about to employ, devices, schemes, or artifices to defraud; and/or (ii) have engaged, are engaging, or are about to engage in transactions, practices, or courses of business which

operate, operated, or would operate as a fraud or deceit upon the purchasers of securities.

38. Defendants knowingly or recklessly paid kickbacks in order to facilitate matched trading in Axius common stock for the Defendants' unlawful benefit. Kaufmann's conduct and intent as CEO and President of Axius can be imputed to Axius.

39. By reason of the foregoing, the Defendants, singly or in concert, directly or indirectly, have violated, are violating, and unless enjoined will again violate, Section 17(a)(1) and (a)(3) of the Securities Act, 15 U.S.C. § 77q(a).

SECOND CLAIM FOR RELIEF

Violations of Section 9(a)(1) of the Exchange Act

40. Paragraphs 1 through 36 are hereby realleged and incorporated by reference.

41. Defendants, directly or indirectly, by the use of the mails or any means or instrumentality of interstate commerce, or of any facility of any national securities exchange, or for any member of a national securities exchange, 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, have entered, or are entering, or are about to enter an order or orders for the purchase or sale of a 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 such security, has been or will be entered by or for the same or different parties.

42. Defendants knowingly or recklessly paid kickbacks in order to facilitate matched trading in Axius common stock with the intent of manipulating the market for Axius stock. Kaufmann's conduct and intent as CEO and President of Axius can be imputed to Axius.

43. By reason of the foregoing, the Defendants, singly or in concert, directly or indirectly, have violated, are violating, and unless enjoined will again violate, Section 9(a)(1) of the Exchange Act, 15 U.S.C. § 78i(a)(1).

THIRD CLAIM FOR RELIEF

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

44. Paragraphs 1 through 36 are hereby realleged and incorporated by reference.

45. Defendants, directly and indirectly, singly or in concert, in connection with the purchase and sale of securities, by use of the means and instrumentalities of interstate commerce, or of the mails, or of the facilities of a national securities exchange: (i) have employed, are employing, or are about to employ, devices, schemes, or artifices to defraud; and/or (ii) have engaged, are engaging, or are about to engage in acts, practices, or courses of business which operate, operated, or would operate as a fraud or deceit upon other persons.

46. Defendants knowingly or recklessly paid kickbacks in order to facilitate matched trading in Axius common stock for the Defendants' unlawful benefit. Kaufmann's conduct and intent as CEO and President of Axius can be imputed to Axius.

47. By reason of the foregoing, the Defendants, singly or in concert, directly or indirectly, have violated, are violating, and unless enjoined will again violate, Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5, 17 C.F.R. §240.10b-5.

RELIEF REQUESTED

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

I.

Permanently enjoining the Defendants from violating Section 17(a) of the Securities Act, 15 U.S.C. §77q(a), Section 9(a)(1) of the Exchange Act, 15 U.S.C. § 78i(a)(1), Section 10(b) of the Exchange Act, 15 U.S.C. §78j(b), and Rule 10b-5, 17 C.F.R. §§ 240.10b-5.

II.

Ordering the Defendants to disgorge their ill-gotten gains, if any, plus prejudgment interest.

III.

Imposing civil monetary penalties upon the Defendants 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).

IV.

Prohibiting Neuhaus and Kaufmann from participating in any 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).

V.

Prohibiting Kaufmann from serving as an officer or director of a public company pursuant to Sections 20(e) of the Securities Act, 15 U.S.C. § 77t(e), and 21(d)(2) of the Exchange Act, 15 U.S.C. § 78(u)(d)(2).

VI.

Granting such other and further relief as the Court may deem just and proper.

Dated: July 5, 2012
New York, New York

A handwritten signature in black ink, appearing to read 'A. Calamari', written over a horizontal line.

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