

JURISDICTION AND VENUE

2. The Commission brings this action pursuant to Sections 20(b), 20(d), and 20(g) of the Securities Act of 1933 (the “Securities Act”)[15 U.S.C. §§ 77t(b) , 77t(d) and 77t(g)] and Section 21(d) of the Securities Exchange Act of 1934 (the “Exchange Act”)[15 U.S.C. § 78u(d)], to enjoin acts, practices, and courses of business in violation of the antifraud provisions of the securities laws, to obtain disgorgement, prejudgment interest and civil money penalties from Hamdan and Oracle Consultants, and to prohibit the Defendants from participating in future penny stock offerings.

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

4. Venue is proper in this District under Section 22 of the Securities Act [15 U.S.C. §77v] and Section 27 of the Exchange Act [15 U.S.C. §78aa]. At all relevant times, Hamdan was a resident of this District, and Oracle Consultants is registered in Michigan to Hamdan’s address, and certain of the transactions, acts, practices, and courses of business constituting the violations alleged herein occurred in this District, and were affected by the means or instruments of interstate commerce, the mails, or the facilities of a national securities exchange.

DEFENDANTS

5. Defendant Hamdan, age 35, is a resident of the Dearborn, Michigan area. He was a penny stock promoter and the operator of two penny stock-oriented websites, OTCSHUB.com and WallStreet Awareness.com. Hamdan entered into a finder’s fee agreement with CompuSonics in 2007. He was to receive a success fee if he could determine how to derive value from CompuSonics’ purported interest in certain patents. In March and April 2007,

Hamdan formed the opinion that the patents were expired, and reportedly did not receive any compensation from CompuSonics based on the finder's fee agreement.

6. At all times relevant herein, Defendant Oracle Consultants was a Michigan-registered limited liability company through which Hamdan conducted his trading activities. Hamdan is the sole member of the company, which he formed in April 2009.

RELEVANT ENTITY

7. At all times relevant herein, CompuSonics was a Colorado corporation headquartered in Farmington Hills, Michigan and quoted on the OTC Link (formerly "the Pink Sheets"). It purported to hold patents for digitization and compression of audio and video files. At all times relevant herein, CompuSonics was not an active company, as it did not have bank accounts, operations, staff, or a third party stock transfer agent. Although its shares were registered pursuant to Section 12(g) of the Exchange Act, CompuSonics last filed an annual report on Form 10-KSB on November 1, 2005 and last filed a quarterly report on Form 10-QSB on June 22, 2006. CompuSonics traded at prices below \$5.00 per share and thus constituted a penny stock under 17 C.F.R. § 240.3(a)(51)(A).

FACTS

Fraudulent Stock Marketing Campaign

8. From September 27, 2009 through October 19, 2009, Hamdan carried out a fraudulent marketing campaign designed to increase the trading price of CompuSonics' stock. In substance, the fraudulent marketing campaign was to the effect that CompuSonics would soon release information concerning a settlement of a patent infringement matter that would "reward" shareholders. Hamdan caused the dissemination of materially false information concerning CompuSonics by means of stock newsletters, a website, a message board, and a press release.

To facilitate the dissemination of the false information and conceal his role in the scheme, Hamdan employed an anonymous email service, a proxy server, and fictitious contact information.

Anonymous Email Addresses

9. Hamdan created and used three different email addresses from an anonymous and free web-based email service that offered PGP-encrypted email.

10. On or about September 28, 2009, Hamdan created an email address with the username “forget1” and an Internet Protocol address (a unique internet address assigned to a subscriber of internet service) that resolved to a hotel Hamdan knew and used. On or about September 30, 2009, Hamdan created an email address with the username “wvista” using an Internet Protocol address that resolved to Anonymous Proxy Service (a server between the actual internet user and other servers on the internet such that it appears to the other servers that the proxy is the actual user).

11. On or about October 16, 2009, Hamdan, used the name “Steve Kailon,” to create an email address with the username “clickit” and an Internet Protocol address that resolved to Anonymous Proxy Service.

Anonymous Proxy Service

12. On or about September 28, 2009, Hamdan used the name “Mike Harras” and other fictitious contact information, and opened for an account with Anonymous Proxy Service with the forget1 email address through an Internet Protocol address that resolved to a hotel Hamdan knew and used.

Fake Website

13. On or about September 30, 2009, Hamdan, used the fictitious name “Steve Kailon,” the wvista email address, and fictitious contact information, to register and arrange for an unauthorized CompuSonic website to be hosted by a company that assists its customers to create websites and then hosts the websites on its servers (“Website Hosting Company”). “Steve Kailon” received an email at the wvista email address from Website Hosting Company.

14. On or about October 1, 2009, Hamdan received an email at the wvista email account through an Internet Protocol address that resolved to Anonymous Proxy Service, from a business-to-business marketing website, concerning adding the compusonicsvideo.com site to the marketing website.

Newsletters

15. In order to facilitate the pump and dump of CompuSonic, Hamdan enlisted the aid of two different email stock newsletters (“Stock Newsletter 1” and “Stock Newsletter 2”) that issued to their respective subscribers content, falsely attributed to CompuSonic, that Hamdan provided.

16. On or about October 2, 2009, Hamdan, through the forget1 email account and using the Internet Protocol address that resolved to the hotel Hamdan knew and used, sent text to a web-based stock information service (“Stock Newsletter 1”) for Stock Newsletter 1 to send to its subscribers. The text, purportedly issued by CompuSonic, concerned “an out-of-court settlement” by CompuSonic.

17. The text Hamdan sent to Newsletter 1 included, among others, the following material misstatements: “Compusonics Video Corp. has reached an out-of-court settlement regarding our patents ...with this settlement in place, shareholders will be tremendously

rewarded.” Contrary to this representation, CompuSonics had not entered into an out-of-court settlement.

18. On or about October 5, 2009, Hamdan, through the forget1 email account received a message from a representative of Stock Newsletter 1 addressed to “Steve” stating that his “campaign” was “scheduled to go out today.” The Internet Protocol address for the email received by forget1 resolved to a hotel Hamdan knew and used.

19. On or about October 1 through 6, 2009, Hamdan communicated with a representative of a stock information service based in Kansas (“Stock Newsletter 2”) using the forget1 email address. The Internet Protocol address used for most of the email communications resolved to either Anonymous Proxy Service or a hotel that Hamdan knew and used.

20. On or about October 5, 2009, Hamdan, using a fictitious name and address, caused \$500 to be paid to Stock Newsletter 2 to send email newsletters concerning CompuSonics to subscribers.

21. On or about October 6, 2009, Hamdan, using the forget1 email address, sent Stock Newsletter 2 the text for the newsletter concerning CompuSonics, purportedly prepared by the company. On the same day, a representative of Stock Newsletter 2 sent emails to the forget1 email address to confirm that payment was received and that the newsletter would be issued that evening and the next morning.

22. The text that Hamdan sent to Stock Newsletter 2 included, among others, the following material misstatements: “Compusonics Video Corp. has reached an out-of-court settlement regarding our patentswith this settlement in place, shareholders will be tremendously rewarded.”

23. On or about October 7, 2009, Stock Newsletter 2 sent its subscribers a newsletter with the text concerning CompuSonics that was provided by Hamdan. The same day, Stock Newsletter 2 sent an email containing optimistic projections for the company's stock price and referred to the "out-of-court settlement."

24. Stock Newsletter 2 contacted Hamdan on or about October 7, 2009 with concerns about the text it released relating to CompuSonics. Stock Newsletter 2 claimed to have been contacted by CompuSonics shareholders, who thought that the events described by the newsletter had taken place years ago.

25. On or about October 11 or 12, 2009, Hamdan, using the forget1 email account, responded to the concerns raised by Stock Newsletter 2. Hamdan stated: "There was no false information put out by you I will call you at the end of this week and explain to you everything.... this stock could hit \$.50 soon."

26. On or about October 19, Stock Newsletter 2 sent its subscribers an email that referenced CompuSonics and stated that it "has been up as much as 600% today on much anticipated news!!"

Stock Message Board

27. To further implement the scheme, Hamdan, using the pseudonym "livetech," posted messages relating to the information disseminated by the newsletters on the CompuSonics page of an internet stock discussion forum ("Stock Message Board").

28. On or about September 27 or 28, 2009, Hamdan, using the fictitious name "Mike Harras" and the forget1 email address, registered the pseudonym "livetech," with Stock Message Board, using the forget1 Internet Protocol address that resolved to Anonymous Proxy Service.

29. On or about October 7 and 8, 2009, Hamdan, using the pseudonym “livetech,” posted four messages on the CompuSonics Page of the Stock Message Board. Three of the messages were sent through an Internet Protocol address that resolved to Anonymous Proxy Service, and the other was sent through an Internet Protocol address that resolved to a hotel Hamdan knew and used. In the posts, Hamdan participated in an online discussion about the compusonicsvideo.com website, CompuSonics’ ownership of patents, and the out-of-court settlement.

False Press Release

30. To facilitate the scheme, Hamdan caused a false press release concerning CompuSonics to be issued by a large press release distribution service (“International News Distribution Service”).

31. On or about October 15, 2009, Hamdan, using the name “Steve Kaliom” and a fictitious address, purchased a pre-paid cell phone (the “Pre-Paid Cell Phone”). The area code of the Pre-Paid Cell Phone was the area code in the Detroit area, where Hamdan lived.

32. On or about October 16, 17, and 19, 2009, Hamdan communicated with the International News Distribution Service using Pre-Paid Cellphone.

33. On or about October 16, 2009, Hamdan -- using the name “Steve Kailon,” the Pre-Paid Cell Phone number, and the address of CompuSonics -- created an account with International News Distribution Service as a representative of CompuSonics. On that same day, “Steve” received an email confirmation in the clickit email account that his submission of a membership application to the International News Distribution Service had been received.

34. On or about October 17, 2009, the International News Distribution Service sent an email to “Steve” stating that he was “an authorized sender with CompuSonics Video

Corporation” and confirming the account number and password. That the same day, “Steve Kailon” received an email from International News Distribution Service concerning his “Member Center Login.” Hamdan received both of the emails by means of an Internet Protocol address that resolved to Anonymous Proxy Service.

35. On or about October 19, 2009, the International News Distribution Service confirmed an order from “Steve Kailon” for a CompuSonics press release on that same day through an email to the clickit email account. Hamdan received the email by means of an Internet Protocol address that resolved to Anonymous Proxy Service.

36. On or about October 19, 2009, at 9:56 a.m., Hamdan uploaded the CompuSonics press release to the International News Distribution Service’s online system. The content appeared as though it was issued by CompuSonics.

37. On or about October 19, 2009, at 10:36 a.m., the International News Distribution Service issued the press release Hamdan uploaded. The press release contained, among others, material misrepresentations that CompuSonics “has reached an out-of-court settlement regarding the company’s patent portfolio” and that CompuSonics “is considering many options to bring back shareholder value, a few of them that are being discussed are a cash dividend per share ... and a stock buy-back program.”

38. On or about October 19, 2009, Hamdan received emails sent to the clickit address from International News Distribution Service confirming the issuance of the press release and the details surrounding the release.

39. Contrary to the statements in the news release, newsletters and message board postings, there was no settlement, and the company did not have operations, revenues, bank accounts, or a transfer agent. Hamdan had concluded that the patents had expired.

40. On or about October 19, 2009, the price of CompuSonics securities closed at \$0.0225 on a volume of 52,054,430 shares, up from a closing price the previous trading day of \$0.00531 on a volume of 2,920,084.

The Fraudulent Trading Scheme

41. CompuSonics stock was thinly traded. For example, of the 32 trading days before September 16, 2009, CompuSonics stock had reported trading on only 4 days with a high closing volume of 1,000 shares and a high closing price of \$.0005 per share.

42. From September 16, 2009 through October 19, 2009, Hamdan engaged in fraudulent manipulative trades of CompuSonics stock in two accounts at different brokerage firms (“Brokerage A” and “Brokerage B”) in the name of Defendant Oracle Consultants. On six of the days that Hamdan traded, his trading constituted substantially all the reported volume for the trading day, and on four of the days that he traded, his trading constituted a high percentage of the reported volume for the trading day. On two of the trading days, he conducted wash sales by buying and selling blocks of the stock with no change in beneficial ownership. Hamdan’s trading and other activity caused the highest trading volume during this period to be 52,054,432 shares and the highest closing price during this period to be \$0.02.

43. In particular, Hamdan effected the following trades:

Date	Approximate Price Per Share	Quantity (Shares)	Bought or Sold	Brokerage Firm	Approximate Percentage Of Volume
September 16	\$0.00108	1,858,567	Bought	Brokerage A	84%
September 17	\$0.003	200,000	Bought	Brokerage A	100%
September 18	\$0.0043	100,000	Bought	Brokerage B	100%
September 21*	\$0.0022	400,000	Sold	Brokerage A	78%

September 21*	\$0.0022	500,000	Bought	Brokerage B	98%
September 22*	\$0.0022	225,000	Sold	Brokerage A	100%
September 22*	\$0.0022	225,000	Bought	Brokerage B	100%
September 23	\$0.0027	225,000	Bought	Brokerage B	100%
September 24	\$0.0027	50,000	Bought	Brokerage B	100%
September 28	\$0.00148	1,433,567	Sold	Brokerage A	61%
September 28	\$0.0031	1,400,000	Bought	Brokerage B	59%
September 29	\$0.0035	287,000	Bought	Brokerage B	100%
September 30	\$0.0041	895,000	Bought	Brokerage B	67%
October 7	\$0.0076	1,191,999	Sold	Brokerage B	21%
October 13	\$0.0025	205,000	Sold	Brokerage B	15%
October 19	\$0.0136	2,285,001	Sold	Brokerage B	4%

* Bold font denotes wash sales in whole or in part.

44. Hamdan made profits of approximately \$30,000 from his trades in CompuSonic stock.

FIRST CLAIM FOR RELIEF
FRAUD IN THE OFFER OR SALE OF SECURITIES
Violations of Section 17(a) of the Securities Act
[15 U.S.C. § 77q(a)]

45. Paragraphs 1 through 44 are realleged and incorporated by reference as though set forth herein.

46. By engaging in the conduct described above, Hamden and Oracle, directly or indirectly, acting intentionally, knowingly, recklessly or negligently, by use of the means or instruments of transportation or communication in interstate commerce or by the use of the

mails, in the offer or sale of securities: (a) employed devices, schemes, or artifices to defraud; (b) obtained money or property by means of untrue statements of material fact or omissions to state material facts necessary to make the statements not misleading; and (c) engaged in transactions, practices, or courses of business which operated as a fraud or deceit upon the purchasers of such securities.

47. The Defendants' fraudulent conduct included, among other things, the following fraudulent devices, fraudulent acts, untrue statements of material fact, and material omissions:

- a. Hamdan created and used three email addresses with an email-anonymizing service;
- b. Hamdan, using false information, gained access to and used Anonymous Proxy Service;
- c. Hamdan, using false information, arranged for a fictitious CompuSonics website, and communicated with a marketing service about adding the site to the service;
- d. Hamdan arranged for two stock newsletters to send false information to their subscribers concerning CompuSonics, a purported out-of-court settlement, and a potential reward for shareholders;
- e. Hamdan used false information to pay one of the newsletters to distribute the false information;
- f. Hamdan posted messages under a pseudonym, which he acquired using fictitious information, on the CompuSonics Page of Message Board, thereby contributing to online discussions relating to the false news circulated by the newsletters;
- g. Hamdan, using fictitious contact information, falsely established himself as a representative of CompuSonics with International News Distribution Service;

- h. Hamdan obtained the Pre-Paid Cell Phone, which he used solely to communicate with International News Distribution Service and to serve as his contact number;
- i. Hamdan uploaded a fictitious press release containing the false information about CompuSonics and caused it to be disseminated by International News Distribution Service;
- j. Hamdan and Oracle Consultants bought and sold CompuSonics securities as part of a pump and dump scheme, which caused the price and volume of CompuSonics rise; and
- k. Defendants profited from their scheme.

48. By reason of the foregoing, Hamdan and Oracle Consultants violated Sections 17(a)(1), (2) and (3) of the Securities Act [15 U.S.C. §§ 77q(a)(1), (2) & (3)].

SECOND CLAIM FOR RELIEF
FRAUD IN THE PURCHASE OR SALE OF SECURITIES
Violations of Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)]
and Rule 10b-5(b) [17 C.F.R. § 240.10b-5(b)] thereunder

49. Paragraphs 1 through 44 are realleged and incorporated by reference as though set forth herein.

50. By engaging in the conduct alleged above, Hamdan and Oracle Consultants, directly or indirectly, acting intentionally, knowingly or recklessly, in connection with the purchase or sale of securities, by use of the means or instrumentals of interstate commerce or the facilities of a national securities exchange or the mail: (a) employed devices, schemes, or artifices to defraud; (b) made untrue statements of material fact or omitted to state material facts necessary to make the statements made not misleading; and (c) engaged in acts, practices, or courses of business which operated as a fraud or deceit.

51. Defendants' fraudulent conduct included, among other things, the following fraudulent devices, fraudulent acts, untrue statements of material fact, and material omissions:
- a. Hamdan created and used three email addresses with an email-anonymizing service;
 - b. Hamdan, using false information, gained access to and used Anonymous Proxy Service;
 - c. Hamdan, using false information, arranged for a fictitious CompuSonics website, and communicated with a marketing service about adding the site to the service;
 - d. Hamdan arranged for two email newsletters to send false information to their subscribers concerning CompuSonics, a purported out-of-court settlement, and a potential reward for shareholders;
 - e. Hamdan used false information to pay one of the newsletters to distribute the false information;
 - f. Hamdan posted messages under a pseudonym, which he acquired using fictitious information, on the CompuSonics Page of Message Board, thereby contributing to online discussions relating to the false news circulated by the newsletters;
 - g. Hamdan, using fictitious contact information, falsely established himself as a representative of CompuSonics with International News Distribution Service;
 - h. Hamdan obtained the Pre-Paid Cell Phone, which he used solely to communicate with International News Distribution Service and to serve as his contact number;
 - i. Hamdan uploaded a fictitious press release containing the false information about CompuSonics and caused it to be disseminated by the International News Distribution Service;

- j. Hamdan and Oracle Consultants bought and sold CompuSonics securities as part of a pump and dump scheme, which caused the price and volume of Compusonics to rise; and
- k. Defendants profited from their scheme.

52. By reason of the foregoing, Hamdan and Oracle Consultants violated Section 10(b) of the Exchange Act [15 U.S.S. § 78j(b)] and Rule 10b-5(a), (b) and (c) thereunder [17 C.F.R. § 240.10b-5(a), (b) and (c)].

PRAYER FOR RELIEF

WHEREFORE, the Commission respectfully requests that this Court:

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

Order Defendants, jointly and severally, to disgorge all ill-gotten gains derived from the unlawful trading alleged herein, plus prejudgment interest thereon;

Order Defendants to pay a civil money penalty pursuant to Securities Act Section 20(d) [15 U.S.C. § 77t(d)] and Exchange Act Section 21(d)(3) [15 U.S.C. § 78u(d)(3)];

Prohibit Defendants from engaging in any offering of penny stock pursuant to Securities Act Section 20(g) [15 U.S.C. § 77t(g)] and Exchange Act Section 21(d)(6) [15 U.S.C. § 78u(d)(6)]; and

Grant such other and further relief as this Court may deem just and proper.

Respectfully submitted,

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December 10, 2013

s/ Charles D. Stodghill
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