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17 On behalf of Plaintiff U.S. Securities & Exchange Commission

18 **UNITED STATES DISTRICT COURT**

19 **CENTRAL DISTRICT OF CALIFORNIA**

20 **SECURITIES AND EXCHANGE**
21 **COMMISSION,**

22 Plaintiff,

23 vs.

24 **TAMARAK, INC.,**
25 **VECTOR CORPORATE FINANCE,**
26 **LLC, and**
27 **JEFFREY MORTON MESSINGER,**

28 Defendants.

Case No.

COMPLAINT FOR VIOLATIONS
OF FEDERAL SECURITIES
LAWS

1 Plaintiff Securities and Exchange Commission alleges the following:

2 **JURISDICTION**

3 1. This Court has jurisdiction over this action pursuant to Section
4 22(a) of the Securities Act of 1933 (“Securities Act”), [15 U.S.C. § 77v(a)] and
5 Section 27 of the Exchange Act of 1934 (“Exchange Act”) [15 U.S.C. § 78aa].
6 Defendants have, directly and indirectly, made use of the means or
7 instrumentalities of interstate commerce and/or the mails in connection with the
8 transactions described in this Complaint.

9 **SUMMARY**

10 2. This matter involves a manipulation scheme in the stock of
11 defendant Tamarak, Inc., a shell corporation that was purportedly engaged in the
12 production of television movies. The scheme commenced in November 2002
13 with a series of “wash trades” effected by defendant Jeffrey Morton Messinger,
14 to artificially set the price of Tamarak’s stock. Thereafter, Tamarak issued three
15 misleading press releases touting the company’s purported film and television
16 projects. Among other things, the company claimed that the U.S. Air Force
17 supported one of its projects and that the company expected to net over \$40
18 million in income in three years. These and other misleading claims also were
19 repeated in two subsequent spam email campaigns. In reality, Tamarak had no
20 capital or financing to produce any of its purported projects, and the claim
21 regarding the U.S. Air Force’s support was based on an 8 year-old letter from
22 the department’s media-relations office that merely offered to provide
23 information to the company regarding the subject of one of its film projects.

24 3. Tamarak’s fraudulent press-release campaign, as well as
25 Messinger’s wash trades, caused Tamarak’s stock to trade as high as \$5.00 per
26 share, even though the company had minimal assets and no operations.
27 Concurrent with the manipulation, Messinger, through defendant Vector
28 Corporate Finance, LLC, a company he partly controlled, publicly sold

1 approximately 80,000 Tamarak shares into the inflated market in a series of
2 unregistered transactions.

3 4. By engaging in the conduct as described in this Complaint,
4 Tamarak, Vector and Messinger, directly or indirectly, have engaged, and unless
5 enjoined and restrained, will again engage in transactions, acts, practices and
6 courses of business that constitute violations of Section 10(b) of the Exchange
7 Act, 15 U.S.C. § 78j(b), and Rule 10b-5, 17 C.F.R. § 240.10b-5, promulgated
8 thereunder. In addition, Vector and Messinger, directly or indirectly, have
9 engaged, and unless enjoined and restrained, will again engage in transactions,
10 acts, practices and courses of business that constitute violations of Sections 5(a),
11 5(c) and 17(a) of the Securities Act, 15 U.S.C. §§ 77e(a), 77e(c) and 77q(a).

12 5. Plaintiff Securities and Exchange Commission is an agency of the
13 United States of America established by Section 4(a) of the Exchange Act,
14 15 U.S.C. § 77d(a).

15 6. The Commission brings this action pursuant to the authority
16 conferred upon it by Section 20(b) of the Securities Act, 15 U.S.C. § 77t(b), and
17 by Section 21(d) of the Exchange Act, 15 U.S.C. § 78u(d), to enjoin defendants
18 from future violations of the federal securities laws. The Commission also
19 seeks disgorgement of ill-gotten gains, plus prejudgment interest, and such other
20 equitable relief that may be deemed appropriate. In addition, the Commission
21 seeks civil penalties pursuant to Section 20(d) of the Securities Act, 15 U.S.C. §
22 77t(d) and Section 21(d) of the Exchange Act, 15 U.S.C. § 78u(d).

23 7. Venue lies in this Court pursuant to Section 22(a) of the Securities
24 Act [15 U.S.C. § 77v (a)] and Section 27 of the Exchange Act [15 U.S.C. §
25 78aa], because certain of the acts and transactions described herein took place in
26 the Central District of California.

27 **DEFENDANTS**

28 8. **Tamarak, Inc.**, is a Nevada corporation located in Van Nuys,

1 California. Tamarak's stock was quoted on the Over-The-Counter Bulletin
2 Board at prices between \$1.15 and \$5.50 from November 25, 2002, through
3 August 25, 2003, when the Commission issued a ten-day trading suspension in
4 the stock. It currently trades in the Pink Sheets at *de minimis* prices with almost
5 no volume.

6 9. **Vector Corporate Finance, LLC**, is a private California
7 corporation incorporated in 1998 based in Woodland Hills, California, that
8 during the relevant period discussed herein, engaged in stock-promotion
9 activities on behalf of Tamarak.

10 10. **Jeffrey Morton Messinger**, age 50, of Woodland Hills, California,
11 was a principal of Vector during the relevant period discussed herein.

12 **OTHER RELATED PERSON**

13 11. **Albert Jackson ("A.J.") Leydton**, formerly of Van Nuys,
14 California, was Tamarak's president, chairman, and a 72% shareholder.
15 Leydton was responsible for drafting Tamarak's misleading press releases.
16 Leydton died on May 30, 2004, at the age of 75.

17 **FACTS**

18 **Creation of Tamarak**

19 12. Since at least 1993, Leydton unsuccessfully sought to produce
20 several television and film projects, including a proposed four-hour television
21 mini-series of the life of Jacqueline Cochran, a well-known aviatrix who
22 founded the U.S. Women's Airforce Service Pilots (W.A.S.P.S.). In 2000,
23 Leydton incorporated Tamarak to develop the Cochran project and four other
24 film scripts. In the fall of 2001, Tamarak conducted a private stock offering
25 pursuant to Commission Rule 504 of Regulation D that raised only \$80,000
26 from a planned \$250,000 offering.

27 **Vector Acquires Tamarak shares and Agrees to Promote Tamarak's Stock**

1 on December 10, 2002, Messinger placed a “good-till-cancelled” order through the
2 Vector account to buy 500 Tamarak shares at \$4.00. In the several days prior to
3 this trade, there had been very little trading in the stock and the buy order remained
4 unfilled for 8 days until December 18, 2002, when Messinger partially covered the
5 trade by placing a 400-share sell limit order at \$4.00 through another account he
6 controlled.

7 **Tamarak’s Misleading Press Releases**

8 16. Between May 28 and August 18, 2003, Tamarak issued three
9 materially false and misleading press releases concerning its business prospects
10 and activities. The releases were prepared by, or at the direction of, Leydton.
11 Collectively the releases made the following claims:

- 12 • the company “would have profits of \$43 million within three years”
13 as a result of the Cochran television project;
- 14 • the company was in discussions with a toy manufacturer to enter into
15 a joint venture with a toy company to promote a Cochran game and
16 with a “major cosmetics company” to be an advertising sponsor for a
17 “tie-in to release a special limited revival run line of cosmetics
18 bearing” Cochran’s name;
- 19 • that, in connection with the Cochran project, the company had
20 “obtained letters of approval with promise of ‘our fullest support’
21 from the Defense Department and the United States Air Force;”
- 22 • Tamarak was “establishing full-scale production offices, including a
23 film and video editing facility;”
- 24 • the company was “in discussions with both Disney and CBS for
25 possible joint-venture projects;” and
- 26 • the company was not a “shoe-string operation” and that it “can
27 definitely afford A-list players and top notch directors.”

1 17. Each of the above claims was false and misleading. The press
2 releases failed to disclose that the Cochran project, the establishment of the
3 production facility, and the hiring of actors and directors to complete the
4 project, were all dependent on non-existent financing that Leydton had
5 unsuccessfully sought for more than 10 years. Further, Tamarak failed to
6 disclose that it had no licensing agreement with the Cochran estate and that
7 there were no discussions with Disney or CBS to produce the project. Finally,
8 while Leydton did receive a 1995 letter from the Air Force (eight years before
9 the press release) concerning the proposed Cochran project, the letter was
10 merely a response to a request from Leydton asking for background information
11 on Cochran. In the letter, the Air Force's media-relations office did express
12 interest in the proposed film, but it did not promise its "fullest support" or
13 otherwise endorse the project.

14 **Messinger Distributes 150,000 Tamarak Shares to Other Promoters**

15 18. In order to increase market demand in Tamarak stock Messinger
16 transferred a total of 150,000 Tamarak shares from the Vector account to at least
17 three promoters who, in turn, sold the shares into the market.

18 **The Spam Email Campaigns**

19 19. In August and in December 2003, spam e-mails were disseminated
20 touting Tamarak's stock. The e-mails repeated several of the false and misleading
21 statements from Tamarak's press releases including its claim of anticipated profits
22 of \$40 million.
23

24 **Tamarak's Price and Volume Increases**

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1 have: (a) employed devices, schemes and artifices to defraud; (b) made untrue
2 statements of material facts and omitted to state material facts necessary in order
3 to make the statements made, in light of the circumstances under which they
4 were made, not misleading; and (c) engaged in acts, practices and courses of
5 business which operate as a fraud and deceit upon purchasers, prospective
6 purchasers, and other persons.

7 24. Defendants Tamarak, Vector and Messinger knowingly or with
8 severe recklessness engaged in the conduct described in this Complaint and this
9 claim.

10 25. By reason of the foregoing, defendants Tamarak, Vector and
11 Messinger have violated, and unless enjoined, will continue to violate the
12 provisions of Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule
13 10b-5 thereunder [17 C.F.R. § 240.10b-5].

14 **SECOND CLAIM**

15 **Violations of Section 17(a) of the Securities Act**

16 26. Plaintiff Commission hereby incorporates paragraphs 1 through 21
17 as if fully set forth herein.

18 27. Between November 2002 and December 2003, defendants Vector
19 and Messinger directly or indirectly, singly or in concert with others, in the offer
20 and sale of securities, by use of the means and instruments of transportation and
21 communication in interstate commerce and by use of the mails, have: (a)
22 employed devices, schemes or artifices to defraud; (b) obtained money or
23 property by means of untrue statements of material fact or omissions to state
24 material facts necessary in order to make the statements made, in light of the
25 circumstances under which they were made, not misleading; and (c) engaged in
26 transactions, practices, and courses of business which operate or would operate
27 as a fraud or deceit upon purchasers of securities.
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1 **PRAYER FOR RELIEF**

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

4 (1) Permanently enjoining defendant Tamarak, and its agents, servants,
5 employees, attorneys and those in active concert or participation with it, who
6 receive actual notice by personal service or otherwise, from violating Section
7 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder;

8 (2) Permanently enjoining defendants Vector and Messinger, and their
9 agents, servants, employees, attorneys and those in active concert or
10 participation with them, who receive actual notice by personal service or
11 otherwise, from violating Sections 5(a), 5(c) and 17(a) of the Securities Act and
12 Section 10(b) of the Exchange Act and Rule 10b-5 thereunder;

13 (3) Ordering defendant Messinger to disgorge all ill-gotten gains from
14 the conduct alleged herein, with prejudgment interest;

15 (4) Ordering defendant Messinger to pay civil money penalties
16 pursuant to Section 20(d) of the Securities Act [15 U.S.C. § 77t(d)] and Section
17 21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)];

18 (5) Permanently barring defendant Messinger from participating in an
19 offering of penny stock pursuant to Section 20(g) of the Securities Act [15
20 U.S.C. § 77t(g)] and Section 21(d)(6) of the Exchange Act [15 U.S.C. §
21 78u(d)(6)];
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27 (6) Granting such other relief as this Court may deem just and
28 appropriate.

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Dated this _____ day of _____ 2005.

Respectfully submitted,

By: _____
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